

A Europe Marching to Bonn's Tune On Currency

Monetary Leadership Assured by Acceptance Of New 'Stability Pact'

By Alan Friedman
International Herald Tribune

PARIS — In a matter of days, new German conditions likely to determine Europe's economic policy choices into the next century have been laid out — and accepted by much of the European Union, with only the barest public debate.

Indeed, both France and the European Commission have agreed in recent days to German demands for tough new restrictions on economic policy that would govern the actions of any nation taking part in a single European currency. Under current plans, those nations qualifying are to come together in a monetary union beginning in 1999 and taking final effect by 2002.

In making its wishes clear to all, and in also seeking ways to punish governments

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that fail to keep a very tight fiscal policy even after monetary union, Bonn has flexed its muscles. And with instant success.

As a result, and whether monetary union begins sooner or later than planned, the German government has in effect called the shots that will determine the shape of much of Europe's economic and political destiny well past the millennium. (Page 15)

The new restrictive terms, proposed last weekend by the German finance minister, Theo Walgel, and endorsed by the Bundesbank, include a demand that single-currency member nations eventually go beyond the precondition of keeping annual budget deficits to just 3 percent of their gross domestic product.

Instead, Mr. Walgel's so-called stability pact would take Europe well beyond the Maastricht treaty on integration and require EMU members to aim for a budget deficit of just 1 percentage point of GDP in periods of economic growth.

In a certain sense, with the new demands, Germany's domination of the European integration process is merely being continued in a more explicit manner. The creation of the original single-currency plan under Maastricht was already on German terms, with guidelines that mirrored

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Mickey Kantor, the U.S. trade representative, after arriving in Japan on Tuesday to attend the APEC meeting.

U.S. Budget Battle Conceals Real Issue Republicans and Clinton Dueling Over Balance by 2002

By John E. Yang
and Ann Devroy
Washington Post Service

WASHINGTON — For all the vitriol, all the finger-pointing and all the carefully staged photogenic events, the current bickering between the White House and Capitol Hill has very little to do with the actual bills in question.

The real issue is not Medicare premiums, temporary approval to spend government money or even the government debt limit; it is the coming confrontation over the Republicans' plan to balance the budget by 2002.

For congressional Republican leaders, especially those in the House, the goal is getting President Bill Clinton to the table to negotiate a deal on their terms to wipe out the deficit in seven years. They hope to use

his current intransigence to help build their case that the president does not really want to balance the budget at all.

"The president has shown no willingness — zero willingness — to get to a balanced budget," the speaker of the House, Newt Gingrich, said Monday night.

But to the White House, concessions now on interim spending levels to keep the

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government from shutdown could be seen by the Republicans, and the public at large, as concessions forever. (The government sent 800,000 workers home Tuesday in the budget battle. Page 3.) Officials have repeatedly argued that the current fight is necessary to lay the rhetorical and policy groundwork for the much bigger battle to

come over budget reconciliation, the bill that will set out the budget structure for years to come.

As the White House press secretary, Michael McCurry, put it, agreeing to the provisions of the "continuing resolution" passed Monday by the Senate to fund the government for two weeks until something else can be done would risk establishing a "Clinton baseline."

While focusing their public anger on the bill's increases in Medicare premiums, White House officials are far more concerned over its deep cuts in social programs supported by Mr. Clinton.

Their concern, officials said, is that the cuts, however temporary, would mark a starting point for the larger budget negotiations rather than something far below

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Asia Backs Away From Free Trade

Japan Police Nail Down Security Lid

By Kevin Sullivan
Washington Post Service

TOKYO — Like most carpenters, Noboru Sasamori occasionally uses a nail-gun. But while President Bill Clinton is in Japan, that power tool will be locked up, and if Mr. Sasamori drives any spikes, he will use an old-fashioned hammer.

The police sent letters to all 40,000 registered nail-gun owners in the country, asking them to "try their best" to keep the tools at home during the economic summit meeting in Osaka this week and Mr. Clinton's state visit to Tokyo.

The police department's direct-mail campaign is part of a \$40 million security blitz that has a flavor and fervor peculiarly Japanese.

Police officers personally visited the homes of 1,500 motorcycle gang members and asked them to behave themselves this week. They roused noodle vendors and searched sewers.

The Asia-Pacific Economic Cooperation meetings will be held in Osaka Castle, parts of which date to the 16th century. Policemen painstakingly rapped down the castle's great stone walls checking for terrorist bombs. They dredged the moat, twice.

Only a few top policemen in Japan are expert marksmen, so 1,200 policemen fired thousands of rounds in recent months on target practice. The crash course included evasive driving and conversational English.

In all, 25,000 policemen will be on duty. That's 10 percent of the nation's police force, and two and a half officers to guard each of the 10,000 guests expected.

The assassination of Prime Minister Yitzhak Rabin has caused the police to ratchet up security measures that were already unusually high because of domestic concerns. The Japanese have lingering anxiety about the Aum religious cult, which is charged in an attack on the Tokyo subway last March that killed 11 people and injured 5,000 more. At least five Aum

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Protectionism Deals Blow to U.S. Objective

By Michael Richardson
International Herald Tribune

OSAKA, Japan — Under pressure from protectionist interests at home, countries in Asia and the Pacific are retreating from a plan to turn the region into the world's largest free-trade area, officials said Tuesday.

The shift is a blow to hopes of liberalizing global trade and marks a major trade setback for the United States, analysts said.

The retreat from the plan by APEC, the Asia-Pacific Economic Cooperation forum, to abolish barriers to the free flow of goods, services and capital is evident in a draft declaration of APEC leaders.

The draft, a copy of which was obtained Tuesday by the International Herald Tribune, makes no mention of free trade or the target dates for achieving it. Previously, APEC had set target dates of between 2010 and 2020.

Instead, the draft says that APEC "will achieve trade and investment liberalization steadily and progressively."

The document will be discussed by APEC foreign and trade ministers Thursday and Friday, before being passed to leaders of the group on Sunday for final approval.

The draft, which was prepared by Japan, the current leader of the 18-member group, is apparently an effort to paper over a dispute that has arisen within APEC.

APEC economies, driven by the strong performance of East Asia in recent years, account for 59 percent of world output and nearly 47 percent of global trade, a recent Australian government study shows.

Several APEC members, including the United States, Australia, Canada, Singapore and Hong Kong — all economies with relatively low tariffs — maintain that this trade growth can best be sustained by a region-wide commitment to deregulation.

But other APEC countries, among them Japan, China, South Korea, Taiwan, Malaysia and the Philippines, are refusing to allow decisions on tariff reductions for agriculture and other sensitive sectors of their economies, which could throw large numbers of people out of work, to be dictated by an APEC liberalization agreement.

"How can developing countries be expected to deregulate weak domestic industries?" said Shi Min, head of China's Asia-Africa Development Research Institute in Beijing.

The United States has strongly backed free trade within APEC as an assured way of opening markets in East Asia and reducing its huge trade surplus with the region, especially Japan and China.

American officials said they would consider compromise wording in the APEC trade plan that would allow members with sensitive economic sectors some flexibility in removing trade barriers, provided that be accomplished by the previously agreed target dates of 2010 and 2020.

But Japan is reportedly proposing that the group accept the principle of flexibility without attaching any deadlines.

The content and tone of the new draft are significantly different from the 1994 declaration made by the leaders in Bogor, Indonesia. Then, APEC members said they were committed to achieve "free and open trade and investment" in the Asia-Pacific region by 2010 for developed economies and "no later than" 2020 for developing countries.

Under APEC consensus rules, the group can only act if there is no strong opposition from any member. China this week described APEC's free-trade plan as unrealistic, while Malaysia said it was non-binding.

Evidently realizing that they must make concessions, APEC members that want a stronger liberalization accord are seeking to put a positive gloss on the retreat.

They also are backing away from earlier warnings that the group could break up because of disagreements over a number of contentious issues, including lowering barriers to trade in sensitive areas.

Garrett Evans, Australia's foreign minister who will arrive in Osaka on Wednesday to take part in the APEC meetings, said in Sydney on Tuesday that there was "a reasonable basis for optimism" that agriculture would be included in APEC trade liberalization.

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Boeing, Outpacing Airbus, Gets World's Biggest Order

Compiled by the Staff From Dispatches

SINGAPORE — Singapore Airlines Ltd., even-handed in the past with business for Boeing Co. and rival Airbus Industrie, ordered as many as 77 Boeing jets worth \$12.7 billion Tuesday but gave Airbus nothing.

The Boeing order is the biggest commercial-aircraft order ever in dollar terms, said Borge Boeskov, Boeing's vice president of product strategy.

Boeing's 777 was favored in the bidding against the Airbus 330, but the size of the order came as a surprise. Officials at the airline had earlier hinted only that the order would be for "at least" 33 medium-size, medium-range planes.

In another surprise, Singapore Airlines selected Rolls-Royce's Trent engines from Britain to power the 61 Boeing 777s intended for its own fleet, which has used mostly American-made Pratt & Whitney engines. Rolls-Royce said the order is its highest ever, and could be worth \$1.8 billion.

The new planes will be used mostly on busy Asian routes, where older Airbus 310s are too small for the growing traffic, said the Singapore carrier's managing director, Cheong Cheong Kong.

Buying already has orders in Asia for its 777s from Cathay Pacific, Thai Airways and Japan's All-Nippon Airways. The Singapore purchase appears to be a coup for the Seattle manufacturer in its competition with Airbus Industrie, the four-nation European consortium based in Toulouse, France, for customers in Asia.

"We're of course disappointed that the announcement was not in our favor," said

Sean Lee, a spokesman for Airbus Industrie.

The Singapore carrier said that 34 of the orders for the 777 aircraft were firm and that 43 were options, with the aircraft scheduled for delivery between 1997 and 2004.

At a news conference, Mr. Cheong said that a principal reason for choosing the Boeing 777 was its size, which offers the potential for increased profits. "The Boeing 777 is larger than the Airbus 330 by 10 percent on average," he said.

The airline, which picked the 777 after seven months of study, was persuaded in part because Boeing offers related models of the same plane, Mr. Cheong said. Singapore Airlines has the right to choose models like the long-range 777-100 or the 777-300, a 350-seat stretched version of the basic 777-200, which has about 300 seats.

The 777-100 is of particular interest because it could fly nonstop between Singapore and Los Angeles, Mr. Cheong said.

Other European companies that will benefit from the order through work for Boeing are Smiths Industries PLC of Britain, which makes avionics; Sierra Aero Seat SA in France, which makes seats; France's Sogerma SA, a maker of airplane galleys; General Electric Co. PLC of Britain, which supplies in-flight systems; and MTU, which is part of Daimler-Benz Aerospace. (Blomberg, AP, Reuters)

AGENDA

Italy Split Over Illegal Immigrants

Dow Jones	Trib Index
Down 1.09	Up 0.23%
4871.81	124.28
The Dollar	
New York	1.4135
London	1.4116
Pound	1.5596
Yen	101.65
FF	4.851

U.S. Officials Join Saudis in Bomb Probe

RIYADH (AP) — A dozen U.S. investigators joined hundreds of Saudi colleagues Tuesday, lifting tangled metal and other debris left by the bomb that destroyed a U.S.-run military training center. Five Americans and a Filipino were killed and 60 people wounded in the blast Monday. A seventh person died Tuesday from wounds.

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Quebec Separatists Undaunted

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A woman going home with a pane of glass as normalcy resumes in Sarajevo. Peace talk efforts were made to end a standoff on land. Page 7.

Alienation and Anger of Native Arabs Alarm French Authorities

By William Drozdiak
Washington Post Service

PARIS — Rachid Fecih has always felt like a stranger. Born and raised in France, the 30-year-old son of Algerian immigrants belongs to a lost generation of North Africans who have never been accepted by French society and have never felt any links to their ancestral lands.

As he discussed the situation with several friends in a seedy cafe on the outskirts of Paris, not far from the bleak suburban ghetto that he and many immigrants call home, Mr. Fecih's friendly, easygoing demeanor hardened into a look of cold hate and despair.

"There are millions of us who feel excluded and

unwanted," he said. "A lot of us think since we have nothing to lose, we might as well turn to violence to get some respect. There is so much disgust around here that one day the authorities will wake up and find they are fighting a civil war."

In recent weeks, the resentment felt by Mr. Fecih and other young North Africans has exploded in spasms of rage and violence across France. The rioting, shooting and looting that erupted around Paris, Lyon and Strasbourg stunned French policemen and politicians.

The immediate trigger for the violence was the shooting of Khaled Kelkal, 25, an Algerian immigrant accused of involvement in terrorist attacks here that the government believes were orchestrated by Islamic radicals in Algeria battling to overthrow

their country's military-backed government. A wave of bombings in France has killed seven people and wounded more than 170 since July, prompting the deployment of more than 40,000 police and soldiers in a security crackdown that has focused on many Arab youths.

Mr. Kelkal was hunted down and killed after being designated France's "most wanted criminal" when his fingerprints were found on an unexploded bomb near a high-speed rail line. A television cameraman accompanied the authorities during the final chase and Mr. Kelkal's death was broadcast on television.

"They never even gave him a chance," said Mustafa Saouli, 28, an unemployed mechanic. "They just shot him like a dog and let him lie there in the street. I think the police wanted to teach us all a

lesson. But what they don't realize is that this crackdown just breeds more hate and more violence."

French investigators say they believe they cracked several important terrorist cells after arresting a suspected ringleader, Boualem Bensaid, a 28-year-old Algerian. They also persuaded the British police to arrest and hold for extradition another Algerian, Rachid Ramda, known as Abu Fares, who they think may be the mastermind of the bombings.

But one of the most troubling aspects of the investigation, French officials say, is the realization that anti-government Islamic militants in Algeria, a former French colony, have penetrated deeply into France's immigrant communities and recruited there

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Cameron	1,600 CFA	Qatar	1,000 Riels
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Ghana	250 Dr	Senegal	1,100 CFA
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Undaunted by Defeat / An Issue Far From Solved

Quebec's Separatists: 'We're Stronger Than Ever'

By Anne Swardson
Washington Post Service

CHICOUTIMI, Quebec — Almost as soon as Marc-André Bedard, long-time leader of the separatist movement in this region, stepped out of the car into the snowy parking lot, the elderly, a well-dressed man accosted him.

"We were close this time," she said with a big smile. "It won't be long."

"It will continue," agreed Mr. Bedard, and kissed her on both cheeks before she went on her way.

Old and young, rich and poor, they are almost all separatists up here. Along the Saguenay River, which branches off the St. Lawrence north of Quebec City, few are discouraged that Quebecers narrowly voted last week to stay in Canada. Instead, they point to the narrowness of the margin — barely over 1 percent — and say it will add momentum to the separatist movement.

Separatism is not defeated, they say; it is stronger than ever. The strength of their opinions shows that Canada is a long way from resolving the Quebec situation.

"It's a fundamental question of existence," said Mr. Bedard, 59. "Are we a people or are we not? If we are, we should be sovereign. We should be at the table with the international community. It's a society, it's a way of thinking, it's a history, it's a view of the future. It's not just a language."

To many Americans, seceding from a prosperous, developed country seems unthinkable. Even English Canadians, who have lived with a restive Quebec for more than 30 years, demonstrated before the Oct. 30 referendum that they do not fully understand what it is that separatist Quebecers want.

Interviews here, the region of Quebec most committed to separation, with a pro-secession vote of more than 70 percent, reveal a point of view fundamentally at odds with the notion of a Canadian federation. How can Quebec ever be one of 10 equal provinces, they ask, when it is at heart a nation? Why not take the steps to nationhood, however daring, if that is its destiny?

"It's riskier to be a minority in another country than to be a majority in our own country," said Mr. Bedard's son and law partner, Stéphane, 27, an organizer for the pro-secession campaign during the referendum.

For some, separatism views are the product of a long history of oppression and poverty. A historian, Ghislain Bouchard, points out that

until about 30 years ago, English-speakers controlled nearly all the businesses in Quebec and some of the political institutions. When his father, a skilled electrician, worked for the Saguenay Electric Co. in 1930, his boss spoke no French and used an interpreter to speak to the 99 percent of company employees who spoke little or no English.

"I can remember taking the train to Chicoutimi in 1950, and the railway conductors didn't speak a word of French," Mr. Bouchard said.

Things have changed since then, however. This industrial region, producer of paper, wood and aluminum, is almost entirely French-speaking — 97.5 percent of the 225,000 inhabitants are native speakers of French, according to census figures. The region's political and economic structure is run

looking the offshoot of the Saguenay known as the Baie des Ha! Ha! Added his daughter Stephanie, 26: "To come two days before the vote — it was way too late."

To separatists like these — or sovereignists, as they prefer to be called — Prime Minister Jean Chrétien and former Prime Minister Pierre Elliott Trudeau, both native French-speakers from Quebec who worked to retain Quebec in Canada, are collaborators. These sovereignists are not discouraged by the fact that 40 percent of Quebec's own Francophones voted against separation.

In their view, the people of Quebec have repeatedly made compromises to stay in Canada, by voting 60-40 against separation in a similar referendum in 1980 and by approving the Meech Lake package of constitutional reforms that failed to pass elsewhere in Canada

this river valley, and others who have made trips say they don't see much reason to go anywhere else.

"I went to Ottawa for one day; I saw it was rich, with our money," said Pascal Tremblay, 20, a student at the University of Quebec at Chicoutimi.

In an interview at the university, Mr. Tremblay and two other students argued passionately for Quebec independence, making informed points about the Canadian national debt and future budget cuts, the breakdown of the social consensus in Canada generally, whether an independent Quebec could use the Canadian dollar, and the perceived interference of other Canadians in the Quebec vote. But what also emerged was a deep desire for power over their own destiny.

"We now control our own economy. Why shouldn't we control our country?" he asked.

To the students, and to many adherents of sovereignty here, Quebec independence would unleash a torrent of creativity and productivity, more than compensating for any loss of subsidies and benefits from Ottawa, the capital.

Marcel Martel, the mayor of nearby Joliette, envisions a decentralized nation, with powers passed on by an enlightened government in Quebec City.

By its very definition, nationalism raises the question: nationalism for whom? Mr. Parizeau underlined the Achilles heel of sovereignty on referendum night, when he said the cause had been beaten by "money and the ethnic vote." In Montreal, he was widely criticized, by

federalists but also by fellow separatists. Here, proponents of an independent Quebec say their vision includes all Quebecers, regardless of language. But there is also a feeling of homogeneity. When Lucien Bouchard says in his speeches, "We are a people," they know he is talking about them.

Mr. Parizeau said too loud what everyone thinks, "said Mr. Martel. "You can't say that in a democracy, but it's true. Unfortunately, it was interpreted as racist, but it's not. It's mathematics."

COMING UP

Who is feeding Asia's people, building its roads and houses, putting up its phone lines and power stations? For the most part, it is not American or European multinationals but family conglomerates.



Ghislain Bouchard, a Quebec historian who remembers when English was dominant, with his daughter, Stephanie.

by Francophones. Even though unemployment, at 14.2 percent, is a bit higher than the average for Quebec, this is a modern economy. Separatists here are as likely to be lawyers and professors as they are farmers or union members.

This also is the home region of Lucien Bouchard, who was born down the road on the shores of Lac St. Jean. Mr. Bouchard — no relation to Ghislain — is the leader of the separatist party in the House of Commons and is considering becoming premier of Quebec.

Many local residents were disgusted by the outpouring of affection, letters, faxes and mass demonstrations across Canada immediately before the referendum vote urging Quebecers to vote no to separation.

"It was a farce, shocking," Ghislain Bouchard said over lunch at an inn over-

in 1990. Now, they say, it is time for Quebec to stand on its own.

"We have our own political point of view that is much more than language," said Mr. Bedard as he and Stéphane chain-smoked through a long interview in their law office. "We resist, for instance, the current of the right running through North America."

The region is not 100 percent separatist, though those who are not sometimes pay a price. Aline Hani, a junior college teacher who heads the local chapter of a pro-English-language group called Alliance Quebec, said some of her students refused to even say hello the day after the vote.

Like other regions of Quebec, this one has ties to the outside world. It exports large quantities of what it produces; it sends trade delegations to China, Morocco, Russia, Venezuela. But many residents never leave

Seed Germinates After 1,200 Years
Ancient Lotus Suggest Aging Can Be Slowed

Los Angeles Times Service

LOS ANGELES — After sleeping for 12 centuries at the bottom of a Chinese lake, a lotus seed has sprouted under the care of a UCLA botanist, promising insight into how to slow the aging process.

The seed is thought to be the oldest known to germinate, scientists report. Should researchers discover the secrets of the lotus — a sacred plant that in Buddhism symbolizes purity and longevity — the benefits could span from harder crop seeds to a skin cream that thwarts wrinkles.

"Life can be much longer than we ever expected," said Jane Shen-Miller, a UCLA plant physiologist and lead author of the research article that appears in the November issue of the American Journal of Botany.

"We certainly have much to learn," she said, about how lotus seeds "can survive 1,000 years of rest."

Ms. Shen-Miller acquired seven of the lotus seeds, which look like dark brown, peanut-sized fontballs, while visiting the Beijing Institute of Botany in 1982.

Chinese botanists had unearthed the seeds several decades earlier from a dry lake bed in northeast China, near the border with Korea.

The following year, Ms. Shen-Miller soaked four of the seeds in water after filing off part of their hard outer husks to allow moisture to reach the partly dried-out centers. Each day, she peered at them.

"Then on the fourth day, the lips started to open, and I saw a little green thing," Ms. Shen-Miller said. "It was overwhelming."

According to one of Ms. Shen-Miller's collaborators, the UCLA biochemist Steven Clarke, "It's almost as if you took a woman who's one or two months pregnant, took the fetus, wrapped it up in a hard shell, and then threw it out into the environment for one year, 10 years, 50 years."

The seeds' revival was as short as their hibernation was

long, however. "The moment I saw they have sprouted, I burned them," Ms. Shen-Miller said. Carbon dating the seedlings required drying them in a 100-degree oven, killing them.

One seed turned out to be 1,288 years old by the dating method. Even factoring in the imprecision of carbon dating — give or take nearly 300 years — the seed had settled to the lake bottom centuries before Marco Polo reached China.

A second seedling grew from a 684-year-old seed, while a rain storm destroyed the third before it could be dated. The fourth seed, which failed to revive, was tested to be 755 years old.

While the sprouting seeds were thought to be important, and Ms. Shen-Miller presented the results at a scientific meeting at the time, the research was not published until now.

She returned to the remaining three seeds last year when a new dating technique allowed her to determine their ages from a sliver of the outer coating, leaving the rest undamaged. Their ages: 95, 332 and 416 years old.

The 416-year-old one did not grow. The next-oldest seed did sprout and lived for nine months in Ms. Shen-Miller's courtyard, but because of her gardening inexperience, did not survive to flower a second year, she said.

She gave the third and youngest seed to Mr. Clarke, a specialist on aging. His research has focused on an enzyme called MT — short for L-isopartyl methyltransferase — that repairs kinks that periodically appear in strands of proteins. MT is present in most creatures, from bacteria to people to plants.

Mr. Clarke found the enzyme in the lotus seed as well. "If this enzyme was not there, then you'd have to say 'There's something wrong with the story,'" Mr. Clarke said.

More surprising, the enzyme also appeared as robust as that found in modern day seeds, he said.

Briton and Norwegian in '95 Rerun of Scott-Amundsen

By Steve Vogel
Washington Post Service

WASHINGTON — Two men, a Briton and a Norwegian, have begun separate three-month treks across the bleak expanse of Antarctica, echoing history while seeking to make their own.

Roger Mear, 45, and Boerge Ousland, 33, veteran polar explorers, each launched his expedition in recent days, at-

tempting to become the first to cross Antarctica alone and unsupported. Traveling on foot and skis, with no dogs to pull sleds or aircraft to drop supplies, each man is hauling a 400-pound (180-kilogram) sled bearing every bit of food and equipment he will need to stay alive during the 1,680-mile (2,700-kilometer) journey.

"It's the last unclaimed challenge, the last great land journey on earth," Mr. Ousland said before his departure a few days ago. "Everything else has been done."

Inevitably, the trek is drawing similar routes that will take them across the South Pole, but they are not likely to bump into each other. Each plans a brutal pace, lugging his load at least 15 miles a day. Mr. Mear set out on Nov. 4. Mr. Ousland three days later, each starting from a different site on Berkner Island in the frozen Weddell Sea, about 2,000 miles south of Chile. But bad weather slowed Mr. Mear, and as of Sunday both had traveled about the same distance — roughly 35 to 40 miles.

If all goes as planned, sometime in mid-February one of them will be the first to cross the continent alone and reach New Zealand's Scott Base on the Ross Sea. There is little margin for error in the ruthless effort to minimize the loads they are carrying, each man has taken only enough food for 100 days.

In recent telephone interviews from Punta Arenas,

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Chile, as the two were making final preparations before flying to Antarctica, both of them down the race aspect of the trek but acknowledged they are in competition.

"There's no direct race," Mr. Mear said, "but obviously neither one of us wants to be second."

Mr. Ousland said, "It's such a long and difficult journey that you can hardly call it a race."

Last year, Mr. Ousland became the first man to cross the North Pole alone and unsupported. It was a dangerous trip — on an earlier Arctic venture, he had to shoot a charging polar bear with a .44 magnum pistol.

Mr. Mear is an accomplished Himalayan guide and photographer who led a three-man team on the first unsupported trip to the South Pole in 1985, following the route charted by Scott. He also seems well suited to solo travel, having been described as a "grumpy bugger" by a colleague.

Why undertake such an arduous journey? "Just being in the Antarctic is part of the reason," said Mr. Mear. "Having the continent to yourself for three months is part of it, and it's an opportunity to answer the question: Is it possible to go across Antarctica alone?"

The fact that both Mr. Mear and Mr. Ousland have set off at the same time is partly coincidence, partly a result of steady advances in cold-weather insulation techniques and satellite technology.

Each made his plans unaware of the other, but both are carrying location finders that will allow companions in England and Norway to chart their progress and send a rescue aircraft should the need arise. Both have even arranged to have their updated positions carried daily on the World Wide Web (Mr. Ousland's address is <http://netvik.no/Ousland/>; Mr. Mear's is www.theplanet.net/soloantarctica/).

Neither man is carrying a radio — they are of little use in Antarctica because of magnetic storms — so neither will know until his journey ends if he has beaten across the continent.

Compared with earlier Antarctic journeys, this one is "not less dangerous," said Mr. Mear. "The difference is if you mess up, the consequences are not as great."

Noetheless, the challenges facing both men on the unforgiving continent are immense. "Both of them have a difficult journey ahead, because Antarctica is ruled by nature," said Anne Kershaw, who operates Adventure Network in Punta Arenas, the firm that flew both men to Antarctica. "No one, despite technology, can overcome that fact."

Three years ago, two Britons traveling the same trans-Antarctic route together but with no other support hauled their sledges 1,384 miles to the Ross Ice Shelf before being airlifted off, suffering from severe frostbite and weight loss.

TRAVEL UPDATE

Eurostar Unveils Expansion Plans

LONDON — The Channel Tunnel rail service linking the British capital with Paris and Brussels celebrated its first anniversary Tuesday with the announcement of 10 million additional seats planned for its second year.

Almost three million people have taken the train between London and Paris or London and Brussels since the first Eurostar service on Nov. 14, 1994, according to a spokesman for European Passenger Services.

Overnight trains from Scotland, northern England and the Midlands to Paris will start next year, along with overnight trains from London to Holland and Germany, he said. (AFP)

Louvre to Be Free One Day a Month

PARIS — The Louvre will charge no entry fee one day a month as part of a plan to make museums more accessible to the public, Culture Minister Philippe Douste-Blazy said Tuesday.

The entry fee will be eliminated on the first Sunday of every month starting in January, a spokesman for the museum confirmed.

The usual fee is 40 francs (\$8) until 3 P.M. and 20 francs from 3 P.M. to closing time. (Reuters)

Tallest Hotel Is Planned Off Dubai

DUBAI, United Arab Emirates — Chicago Beach Resort has unveiled plans to build the world's tallest hotel on an artificial island in the Gulf.

Guests will reach the 321-meter-high hotel by bridge, yacht or helicopter, company officials said. The 26-story hotel will be part of a complex including a 600-room hotel on shore and a park with beachside villas. (AFP)

Tourist arrivals in Sri Lanka dropped in September for the first time in a year, and resort hotel operators are concerned that attacks by Tamil guerrillas could scare more visitors away. But tourist board sources said that the September decline of 0.8 percent did not necessarily indicate a trend. (Reuters)

China will turn a panda breeding center into a tourist destination where the endangered animals can be viewed in their natural habitat, Xinhua press agency said. China Panda World will be established at the foot of Mount Putuo in southwestern Sichuan Province, where an estimated 1,000 pandas live in the wild. It will be opened by the year 2020, the agency said. (Reuters)

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El Salvador	011-800-777-1111	Indonesia	011-800-777-1111
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Greece	011-800-777-1111	Japan	011-800-777-1111
Hong Kong	011-800-777-1111	Kenya	011-800-777-1111
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Korea	011-800-777-1111	Monaco	011-800-777-1111
Latvia	011-800-777-1111	Netherlands	011-800-777-1111
Lithuania	011-800-777-1111	Netherlands Antilles	011-800-777-1111
Luxembourg	011-800-777-1111	New Zealand	011-800-777-1111
Malaysia	011-800-777-1111	Norway	011-800-777-1111
Mexico	011-800-777-1111	Poland	011-800-777-1111
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Monaco	011-800-777-1111	Romania	011-800-777-1111
Netherlands	011-800-777-1111	Russia	011-800-777-1111
Netherlands Antilles	011-800-777-1111	Saudi Arabia	011-800-777-1111
New Zealand	011-800-777-1111	South Africa	011-800-777-1111
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THE AMERICAS

Japan Officials
'Understanding'
About Clinton's
Shortened Visit

The Associated Press
TOKYO — Japanese officials expressed "understanding" on Tuesday about President Bill Clinton's decision to shorten his trip to an Asian economic summit meeting in Japan later this week.

The White House on Monday shortened Mr. Clinton's planned trip to Japan from the planned six days to an extended weekend because of the budget standoff in Washington with Congress.

Mr. Clinton will meet Sunday with leaders of Asia-Pacific countries in Osaka and travel to Tokyo for a state visit to Japan. He is to leave Washington Friday night and return home Tuesday morning.

The shortened schedule means Mr. Clinton will miss one of the main events of the Asia-Pacific summit meeting, a dinner with the region's leaders Saturday night, a Japanese official said Tuesday.

The official, briefing reporters in Osaka, said all the other Asia-Pacific leaders were scheduled to attend the banquet, making Mr. Clinton the only no-show.

Secretary of State Warren M. Christopher is expected to take the president's place.

The government spokesman, Koken Nosaka, said that it was "indeed regrettable" that Mr. Clinton had to cut back his stay, but added that the Japanese government "understands" the White House's position.



Newt Gingrich, left, and Bob Dole shepherding Republicans to White House talks with President Clinton.

U.S., in Budget Deadlock,
Lays Off 800,000 Workers
Talks Go On as Clinton Vetoes Riders

By Brian Knowlton
International Herald Tribune

WASHINGTON — With the White House and congressional leaders locked in a budget battle, the federal government on Tuesday ran out of money to pay its employees and sent 800,000 of them home with no clear sign of when they might be called back.

White House emissaries met with Republican budget leaders at midday, temporarily raising hopes for a solution. But in separate press conferences later, President Bill Clinton and top Republican leaders were bristling with anger and determination.

"I will continue to fight for the right kind of balanced budget," the president said. He accused the Republicans of pursuing "ideology ahead of common sense and shared values."

Republicans said afterward that Mr. Clinton was avoiding the need to make difficult choices while seeking maximum political gain. "Mr. President," said Senator Pete V. Domenici of New Mexico, chairman of the Budget Committee, "you make things very difficult with the speech you made today."

He accused the president of uttering "half-truths," and other Republicans stopped just short of calling Mr. Clinton a liar.

It was not clear what further meetings the two sides would have Tuesday.

But a White House spokesman, when asked if the government would remain closed Wednesday, replied tersely, "Yes."

Mr. Clinton met late Monday with the Republican leaders of the House and Senate. Just before that meeting, he had vetoed a short-term spending bill passed by the Republican-controlled Congress that would have kept the government open.

The president objected to a provision affecting the Medicare health program. Republicans now say they are prepared to drop that provision.

Mr. Clinton had also vetoed a bill to extend government borrowing authority, saying it would have tied the Treasury secretary's hands.

The Treasury Department had to draw on government retirement funds to meet interest payments due this week. Reaction on stock and bond markets was muted Tuesday.

Shortly before noon Monday, about 40 percent of non-military federal workers, including about 150,000 in the Washington area, were sent home. The others, in jobs considered essential to health, safety or national security, remained at work.

This is the fourth time in 15 years that government employees have been sent home; no previous shutdown lasted more than four days.

Most of the nation's military remained at work, though some contractors feared the impact of a long-term stoppage. Four in five American diplomats around the world stayed at work, including those at the Bosnia peace talks near Dayton, Ohio.

But tourists visiting the Statue of Liberty were rounded up just 20 minutes after arriving and put back on the ferry for Manhattan. The Smithsonian

museums in Washington were closed.

So was the National Zoo, though animals will be fed.

It became clear Tuesday that the battle lines extend far beyond the measures the president vetoed.

If Mr. Clinton would accept the Republican goal of balancing the federal budget in seven years, said Representative Bob Livingston of Louisiana, "everything else is ancillary." Mr. Livingston is chairman of the Appropriations Committee.

Newt Gingrich of Georgia, House speaker, said the problem could be resolved "in about 30 minutes" if Mr. Clinton would accept a seven-year plan.

Budget legislation that the Republicans are expected to complete by Friday would bring some of the biggest changes in federal spending since the Depression. The outcome of the current dispute appears certain to reverberate into the coming presidential election year.

Differences within each political party appeared to be slowing an agreement. Bob Dole, the Senate majority leader, was said to have shown a willingness to compromise in the talks late Monday with Mr. Clinton.

But Mr. Gingrich showed less flexibility, citing pressure from hard-line young Republican congressmen.

Affected U.S. Services

The Associated Press

WASHINGTON — During the shutdown of the U.S. government, only workers deemed essential are staying on the job. This is how postal services are being affected:

MAIL: The Postal Service, which is self-supporting, is continuing deliveries.

TOURISM: National park visitor centers and monuments are closed. Many parks and battlefields will be open.

RETIRES: Social Security checks will be issued, but new applications cannot be processed.

WELFARE: Checks and food stamps will continue.

VETERANS: The Department of Veterans Affairs cannot issue its next checks Dec. 1 if the dispute is not settled by early next week. No new claims will be processed.

TRANSPORTATION: Essential safety personnel are at work. Weather forecasting is continuing.

MEDICARE: Medicare is financed by a trust fund, so claims can be paid, but private contractors process the claims for the Health Care Financing Administration, which expects the contractors to keep working.

MEDICAID: Medicaid and Aid to Families with Dependent Children will not be affected.

DEFENSE: All active duty military will report for duty. About 571,000 of the Defense Department's \$86,000 civilian employees will also work.

JUSTICE: Criminal investigations and prosecutions will continue, but most civil cases will be postponed.

TAXES: Quarterly tax payments will be collected, but the information hotline for taxpayers will not be answered.

POLITICAL NOTES

Republicans Exchange Fire

WASHINGTON — A week before a high-stakes straw poll in Florida, Republican presidential candidates are engaging in the kind of blistering negative attacks that are usually reserved for the heat of a primary season.

Senator Bob Dole of Kansas has begun a telephone and direct mail campaign devoted to alerting delegates that his main rival, Senator Phil Gramm of Texas, missed several votes related to the Republican manifesto, the Contract With America.

Mr. Gramm has sent some of his Florida field workers a mailing of his own: a biography of another candidate, former Governor Lamar Alexander of Tennessee, that runs from the serious to the downright silly. In addition to passages devoted to Mr. Alexander's "ethical problems," the document discloses: "Incidents such as pelting out-of-state cars with snowballs earned Alexander at least two padlocks in school."

Though he is not one to shrink from harsh attacks himself, Mr. Alexander tried on Monday to capitalize on all the mud — calling it "disgraceful activity" — by presenting himself as Mr. Clean.

"Phil Gramm is the Darth Vader of negative politics," said Nelson Warfield, Mr. Dole's campaign spokesman, "and his complaints about hard-edged campaigning in Florida just add hypocrisy to his list of credits."

Mr. Warfield also went after Mr. Alexander for being "conveniently indignant" about negative campaigning. Mr. Warfield said: "Question for Lamar: Remember your mud in New Hampshire?"

Perhaps it should have been expected that with the earlier fund raising and earlier primary calendar for Republican presidential contenders in 1996, the acid assaults would also follow a stepped-up schedule.

But more than anything else, the vituperation has been prompted by Presidency III, a popularity poll of about 3,000 Republicans this weekend in Orlando. The event has taken on unexpected importance because the major candidates have all called it a major test of their viability, and have poured significant amounts of money and time into wooing delegates in Florida. The event is considered a legitimate test because unlike other straw polls, candidates cannot skew the results by buying more tickets.

(NYT)

FBI Inquires, Husband Goes

WASHINGTON — As federal investigators zero in on the personal and campaign finances of a Utah congresswoman, Representative Enid Greene Waldholtz, her office said that her husband had vanished.

Mrs. Waldholtz, 37, a freshman Republican from Salt Lake City, issued a statement Monday saying that her husband, Joe Waldholtz, has been missing from their Washington home since Saturday.

Mrs. Waldholtz has had a relatively high profile on Capitol Hill, in part because she gave birth to the couple's first child in August and because she was the first freshman appointed to the powerful Rules Committee in 70 years.

In her statement, Mrs. Waldholtz said that she was conducting her own investigation, in addition to the other "external" investigations, and that she was severing her husband from her affairs.

Law-enforcement officials in Washington said the investigation was being run by federal prosecutors in Salt Lake City, who had asked for help from the FBI.

The Hill, a Capitol Hill newspaper, has reported that the FBI has been examining the couple's tangled finances for some time. The newspaper said the FBI was looking into possible violations of federal spending laws, the co-mingling of campaign and personal money, and failure to pay personal and campaign debts.

(NYT)

Quote / Unquote

Alana Raken of New York as she tried to get a passport for her 2-year-old child; and the manager at of the passport office in Rockefeller Center refused to answer any more questions about the shutdown of the federal government as a result of the budget dispute between Congress and the president: "Oh! I'd like to strangle that man!" (AP)

Away From
Politics

• In NASA's first major space-station construction job, a rookie astronaut attached a docking tunnel to Atlantis to allow safer linkups with the orbiting Russian outpost Mir. Chris Hadfield, a Canadian, maneuvered a crane from inside Atlantis, completing the critical task as planned and apparently without a hitch. Installation of the 900-pound tunnel was an essential part of the shuttle's second docking flight to Mir, and keeps Atlantis on track for a rendezvous Wednesday. (AP)

• A federal judge delayed Ohio's new abortion law that includes the nation's first ban on a rarely used late-term procedure in which the skull is collapsed before the fetus is removed from the womb. The judge issued a 10-day temporary restraining order delaying implementation. (AP)

• A man whose death sentence was once overturned was executed by injection in Virginia for killing a supermarket owner and a store clerk during an attempted robbery in 1985. Herman C. Barnes, 31, was convicted in July 1986 for shooting to death the market owner, Clyde Jenkins, and a clerk, Mohammad Afifi. (AP)

• A walkway over a six-lane highway collapsed in Providence, Rhode Island, when it was struck by a tractor-trailer. Two people suffered minor injuries. (AP)

• Hate crimes reported to the police declined in 1994, with the number of related murders dropping from 20 to 13, the FBI said. The bureau said 5,852 hate crime incidents were reported during 1994, compared with 7,684 incidents in 1993. (AP)

• The Coast Guard has resumed searching for a charter fishing boat off North Bend, Oregon, after receiving a second SOS that the vessel was taking on water with 11 people aboard. A search after the first call last Tuesday turned up nothing and left authorities wondering if the call was a prank. (AP)

AMERICAN
TOPICSFor Sharks, a Bit of Human
Is Usually Quite Enough

Shark attacks along the East Coast of the United States have increased by about 20 percent this year over last, according to Samuel Gruber of the University of Miami, probably because of stormier weather. More wind and surf bring out more sailboaters and surfers near the offshore sandbars where sharks hang out.

Florida has had the most shark attacks, with 28 incidents as of early October, compared with 22 for all of 1994. Three- or four-foot black-tipped sharks are suspected in most of those attacks.

Yet no fatalities have been recorded in the United States this year. Fewer than 10 confirmed shark attack deaths have been recorded since the 1950s, when reliable statistics began to be kept. Nearly always, the shark takes one bite and darts away.

Why don't sharks finish off their human meals? Mr. Gruber says sharks may just prefer seafood. Peter Klimley, a shark researcher at Bodega Marine Laboratory north of San Francisco, says people might not be fat enough.

Fat has twice the energy value that muscle does," Mr. Klimley says. Seals and sea lions have a layer of fat, unlike birds, humans and sea otters." He said that sea otters, like people, were often bitten but almost never eaten.

In videotapes of sharks scavenging on a dead whale, Mr. Klimley said, they clearly concentrate on the fat tissue, ignoring the rest of the animal.

About People

Mayor Richard Riordan of Los Angeles told this joke to Bill Clinton: A Riordan aide says the president got a big laugh out of it. The mayor is supposedly so depressed over negative press notices and attacks from political foes that he's decided to seek help from a psychiatrist. The mayor tells the psychiatrist, "I'm beginning to feel paranoid. I think everybody in the world hates me." The psychiatrist responds. That's impossible.

Mayor, not everyone in the world knows you."

Short Takes

A request by Winston Moseley for a retrial on a technicality has been turned down by a federal judge. Mr. Moseley, now 61, is serving a life sentence for the murder 31 years ago of Kitty Genovese, a crime that became a metaphor for the failure of urban residents to help fellow citizens in trouble. Mr. Moseley stalked and repeatedly stabbed Miss Genovese on a New York street. Most of the people who overheard her agonized screams later admitted they didn't want to get involved.

Lunchtime conversation between mother and grown son in a New York restaurant, as reported to The New York Times Metropolitan Diary column:

Mother: I went to my doctor yesterday to find out how I can lose some weight.

Son: I can tell you how to do that. Eat more fruits and vegetables, and exercise.

Mother: That's exactly what he said. But what kind of life is that?

International Herald Tribune

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Italian MPs Demand Inquiry

ROME — Center-left politicians on Tuesday demanded a parliamentary investigation of a widening corruption scandal that has hit Italy's armed forces.

Four members of the Progressive political grouping in the Chamber of Deputies asked for a parliamentary committee to be formed to investigate allegations that top military officials were involved in a bribes-for-contracts scandal. Senior commanders estimate that as many as 2,500 members of the armed forces are under inquiry. (Reuters)

A Vote for Czechs From Chirac?

PARIS — President Jacques Chirac backs the Czech Republic as the top candidate for membership of the European Union, the Czech prime minister, Vaclav Klaus, said after meeting the French leader on Tuesday.

"President Chirac considers the Czech Republic as the No. 1 candidate for membership of the European Union," he said, after talks lasting nearly an hour at Elysée Palace.

Mr. Klaus, in Paris for a one-day visit, was to meet Prime Minister Alain Juppé later, as well as hold talks with officials of the Organization for Economic Development and Cooperation, to which Prague also seeks membership. (AFP)



Mr. Chirac, left, and Mr. Klaus in Paris on Tuesday.

Mr. Klaus, in Paris for a one-day visit, was to meet Prime Minister Alain Juppé later, as well as hold talks with officials of the Organization for Economic Development and Cooperation, to which Prague also seeks membership. (AFP)

Mr. Klaus, in Paris for a one-day visit, was to meet Prime Minister Alain Juppé later, as well as hold talks with officials of the Organization for Economic Development and Cooperation, to which Prague also seeks membership. (AFP)

Norway Seeks Schengen Role

OSLO — Norway will begin negotiations Wednesday in Helsinki aimed at giving the country special status in the Schengen Convention on free circulation, even though it is not a member of the European Union.

The Norwegian justice minister, Grete Faremo, will meet with Interior Minister Johan Vande Lanotte of Belgium, whose country currently holds the rotating chairmanship of Schengen, to negotiate an accord linking Norway to the convention without making it a member.

Denmark, Finland, Iceland and Sweden also will participate in the talks. (AFP)

French Arrest 7 Islamic Suspects

PARIS — The French police arrested seven suspected Islamic militants on Tuesday in connection with an investigation into a wave of bomb blasts that have hit France since July, sources said.

The seven were arrested in raids in Paris and Lyon, as part of a probe by Judge Laurence Le Verri into the terrorist wave, which has killed 7 and wounded more than 200. (AFP)

Calendar

European Union events scheduled for Wednesday:
STRASBOURG: The European Parliament plenary session continues with debate on employment and external relations.
STRASBOURG: The "Kangaroo" group, an association that seeks a single European market, hosts a breakfast debate on European companies competing globally.
BOON: European Industry Commissioner Martin Bangemann addresses a conference on the theme "Europe and the Islamic World."

Sources: Agence Europe, AFP

Sicily Trial Of Andreotti Resumes

Palermo, Italy — The trial of Giulio Andreotti on charges that he was the Mafia's chief political protector in the national government resumed in the Sicilian capital Tuesday.

Mr. Andreotti was not in court for the session, which had been scheduled for Monday. It was delayed for a day by a lawyers' strike to protest the arrest of the head of the city's provincial government, who is a practicing lawyer, on charges he had helped harbor a fugitive Mafia boss.

Mr. Andreotti, a 76-year-old life senator who has held nearly every important national office, including seven stints as prime minister, denies all charges against him.

In addition to the charges of being Mafia's man in Rome, Mr. Andreotti was recently indicted along with three of the Mafia's most notorious mobsters for complicity in the 1979 murder of an investigative journalist, Mino Pecorelli.

Student Protests Spread in France

Paris — Student unrest widened Tuesday as strikes hit several financially strained universities to press demands for more state funds at a time when the government is seeking to curb public spending.

Students in seven of the country's more than 80 universities were on strike, and a left-wing student union close to the opposition Socialist Party, called for a national protest day next Tuesday. Most classes were canceled.

Britain Blocks EU on Defense Unity

Reuters

MADRID — Signaling its determination to limit any increase in the central power of the European Union, Britain blocked moves Tuesday to bring the Western European Union defense grouping under the EU wing.

Member states of the Western European Union failed to agree on a common position before a planned review.

"We have not succeeded in convincing Britain," said Foreign Minister Klaus Kinkel of Germany. "It will be a difficult negotiation."

The 10-member WEU — France, Britain, Belgium, Spain, Germany, Greece, Italy, the Netherlands, Luxembourg and Portugal — discussed a compromise paper for submission to the EU review conference.

The review, known in European Union terminology as the Inter-Governmental Conference, is open-ended and

could in theory last until 1997.

The paper contained three options: for the two organizations to remain autonomous, for them to merge gradually and for them to merge immediately.

But with London adamant that it would not accept even a hint of a European Union voice on defense, the WEU was not even able to agree on a common starting point for detailed negotiations.

Mr. Kinkel and Foreign Minister Susanna Agnelli of Italy said that nearly all other WEU members favored a gradual merger and that they felt a need to make some progress toward a common European defense.

Miss Agnelli called the British position "extremist" and said Italy had been "in the middle with the majority."

British diplomatic sources said that all states had agreed on the need to progress slowly on the question. But they continued, it was a "cardinal point" of London's policy that defense

decision-making must be the preserve of individual governments.

They added that London had been alone in proposing no change to the existing institutional structure but had received some support from eight other countries that are members of either NATO or the European Union, but not the WEU.

The divisions reflect the wider EU debate on how much further to take European political and economic integration.

London has proposed that instead of any institutional link-up, the two organizations should hold summit meetings at the same time and take other measures to increase cooperation while remaining independent.

The view is sharply at odds with that held by other WEU capitals and is regarded as another sign that the continuing debate on Europe's political fu-

ture is going to be long and acrimonious. London is pushing for progress in setting up a WEU situation center and intelligence unit and in equipping it with some form of humanitarian task force.

But it is adamant that all such matters remain subordinate to the NATO alliance.

Foreign and defense ministers from 27 European countries are meeting in Madrid to discuss threats to a region surrounded by turbulence since the collapse of the Soviet Union.

Wife Says Mitterrand Is Doing 'All Right'

The Associated Press

PARIS — François Mitterrand is doing well despite his prostate cancer and there are no plans for a third operation on the former French president, his wife said Tuesday.

"He's courageous," Danielle Mitterrand said in a television interview, her first since her husband, who is 79, left office on May 17 after

two seven-year terms. "He is fighting against a pernicious disease, but he's all right."

Mrs. Mitterrand's comments came after persistent rumors that the former Socialist president's health was rapidly deteriorating, with some reports saying he had been admitted to the Val de Grace military hospital in Paris.

Scharping Goes on Offensive

He Says He Won't Try to Please Everyone

Compiled by Our Staff From Dispatches

MANNHEIM, Germany — The head of Germany's opposition Social Democrats challenged leadership rivals on Tuesday, saying that he planned to stop trying to please all sides in the Social Democratic Party and start imposing his ideas.

At the opening of one of the most critical conferences in the history of Germany's biggest and oldest party, the party leader, Rudolf Scharping, made clear he saw internal hickering as the prime reason for its slump to postwar lows in the opinion polls.

"You have paid for our mistakes," he told the 535 delegates on behalf of the party's leaders, before taking stock of his own much-criticized leadership style.

"I have tried to express ideas not completely backed by my personal convictions," he said. "I overestimated the readiness

of my colleagues to cooperate in a spirit of trust."

Public sniping within the leadership has prompted speculation that Mr. Scharping could be toppled by one of the more charismatic party figures: his main rival, Gerhard Schröder, or former chancellor candidate Oskar Lafontaine.

Neither has emphatically denied leadership ambitions but both have seemed content to see Mr. Scharping remain in place, at least until nearer the next general election in 1998.

Mr. Scharping dismissed Mr. Schröder as party economic policy head when Mr. Schröder asserted that the problem was "not whether we have a social democratic economic policy or not but whether we have a modern economic policy."

Since then the party has slumped dramatically. Mr. Scharping, who is unopposed for re-election on

Thursday, made clear he would no longer meekly accept the blame for the party's slide that has left Helmut Kohl firmly in control.

"You get the biggest headlines by setting yourself up against your own party. But that also brings our party the biggest defeats," Mr. Scharping said.

He also urged the party, which has strong pacifist leanings, to be less shy of sending troops abroad on multinational peacekeeping missions.

On Tuesday, he indicated that he meant to push this through, despite heavy opposition in particular from Mr. Lafontaine, the Saar premier.

Specifically, he said, if a possible Bosnia peace deal requires a military security guarantee, Germany should take part, not in the sense of fighting, but in the knowledge that there are times when people's security can be ensured only in this way. (Reuters, AFP)

Kohl, in Beijing, Raises Rights Issue With Leader

Reuters

BEIJING — Chancellor Helmut Kohl said his inspection here on Tuesday of an army unit was intended to help China open to the rest of the world.

Mr. Kohl also said he had raised the issue of human rights in talks with Prime Minister Li Peng on the first day of his five-day trip on Monday.

"I gave a list which contained individual cases and I

asked the Chinese side to review individual cases," he said. "The role that I see for myself is to try to influence the Chinese."

Mr. Kohl had asked not to be shown military exercises by the army, whose violent suppression of student demonstrators in Beijing in June 1989 prompted many countries, including Germany, to freeze military relations with China.

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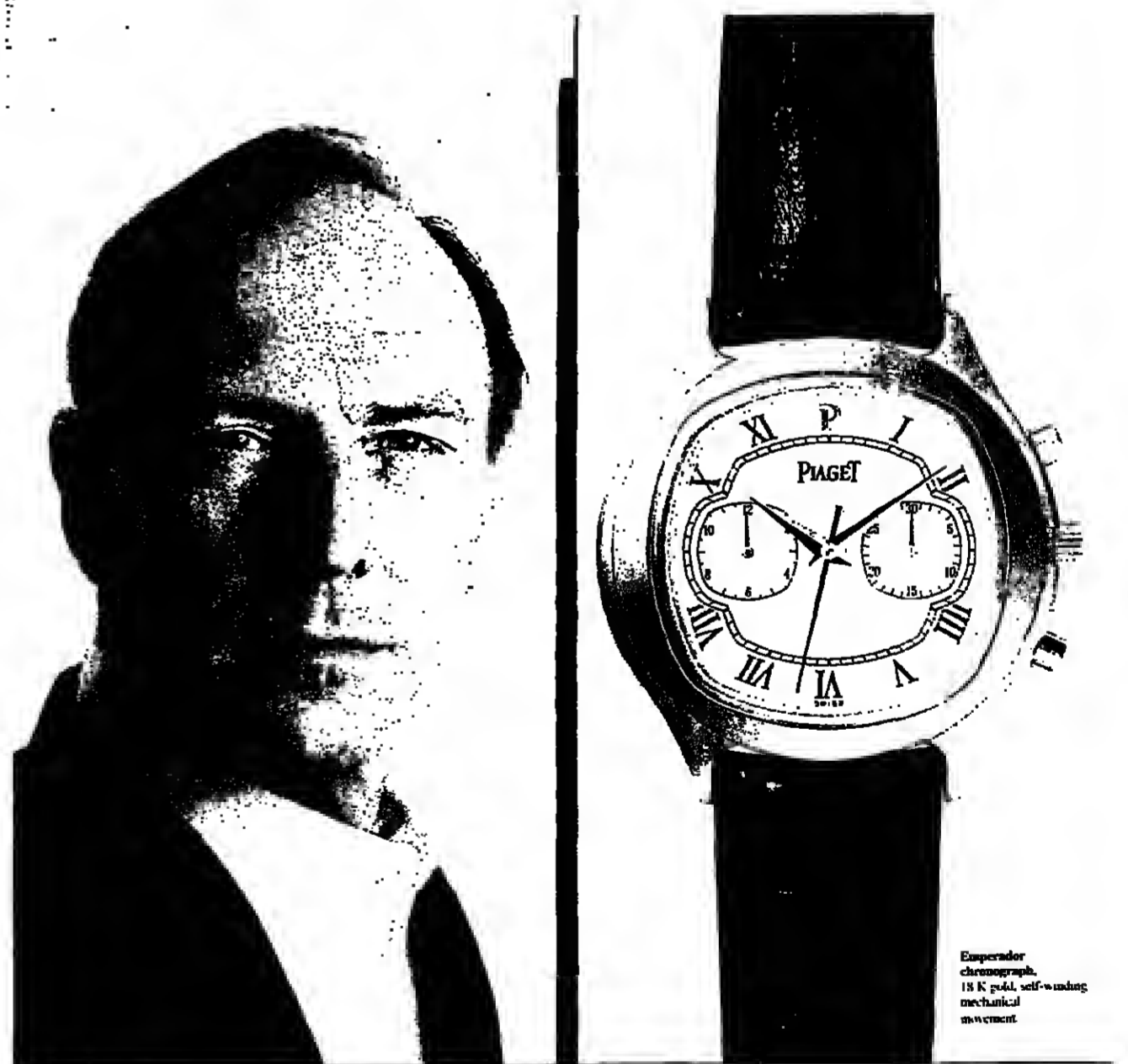
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INTERNATIONAL

3 'Young Turks' Await Major Roles in Israeli Cabinet

By Serge Schmemmann
New York Times Service

JERUSALEM — When Shimon Peres is formally installed as prime minister this week and announces his new government, attention will focus on three "young Turks" of the Labor Party, all Israeli-born men in their 40s or early 50s whose appointments not only will determine the shading of the new cabinet but also could help shape the future of Israeli politics.

One is a macho former general, another is a former soccer player and impressive political fighter, and the third is a dovish, soft-spoken intellectual.

For all their differences in style, leanings and background, they loom in the public perception as contenders to lead the liberal Labor coalition in the future against another member of their generation, Benjamin Netanyahu, the 46-year-old leader of the conservative Likud.

Though Mr. Peres reportedly has not yet made up his mind on the final shape of his cabinet, the broad outlines of his thinking are known. First, he intends to maintain most of the cabinet intact as a political signal that he will continue Yitzhak Rabin's policies.

Second, Mr. Peres is known to view the search for peace with the Arabs as a paramount priority. He rejected the tem-

Are These Three Faces in Israel's Future?



EHUD BARAK
Interior Minister and former Army Chief of Staff... Israeli-born soldier-intellectual, with charisma and eloquence... Oldest of the "young Turks" at 53... Intelligence chief during the rescue of an airliner at Entebbe, Uganda... Closely tied in attitudes to the late Yitzhak Rabin... Known champion of security.



YOSSI BEILIN
Minister of Economy and Planning... Acting Prime Minister Shimon Peres's longstanding protégé... Native of Tel Aviv and holder of a doctorate in political science... At 47, has earned high grades for intellect and as the man who started the secret peace contacts in Oslo.



HAIM RAMON
Left the Labor Cabinet to become chairman of Histadrut, a giant trade-union federation... Let it be known that he intends to return to the Labor Party... Israeli-born, at 45 figures on everyone's list of political contenders... Good speaker and law graduate of Tel Aviv University... Former Minister of Health... Ex-soccer player.

The New York Times

More than that, the military has traditionally been a critical component of Israeli politics — a major element in Mr. Rabin's popularity was his image as a soldier. Thirteen members of the 120-seat parliament are former colonels or generals.

All that would seem to point to Mr. Barak, a soldier-intellectual who retired only 11 months ago as the army chief of staff and is closely tied in attitudes and public perception to another former chief of staff — Mr. Rabin.

The oldest of the "young Turks" at 53, Mr. Barak has charisma, eloquence and intellect. He has an unblemished record of service in Israel's major wars and served as the intelligence chief during the successful rescue of passengers on a hijacked airliner at Entebbe, Uganda. Soon after hanging up his lieutenant general's uniform he joined the Rabin government as interior minister.

But the likelihood is that Mr. Peres will take the defense portfolio himself. Nobody could say he is unqualified — he built the young Israeli state's defense industry in the 1950s and served as minister of defense from 1974 to 1977. The advantage for Mr. Peres would be that he could maintain control over the military withdrawals from the West Bank and at the same time broaden his own image for the next elections.

In that case, Mr. Barak could stay where he is, as interior minister, or get the Foreign Ministry. The second option would free the Interior Ministry for Mr. Ramon.

His return to the Labor fold is of paramount importance to Mr. Peres. At 45, Mr. Ramon figures on every list of big-time political contenders, and he could be a major asset in broadening the standing of the new government.

The assumption is that he will be offered a plum portfolio — either the Interior or the Foreign Ministry, depending on where Mr. Barak lands.

Finally, there is Mr. Beilin, 47, a man Mr. Rabin once dismissively called "Peres's pool," who has earned high grades for intellect and, at least among admirers of the peace with the Palestinians, as the man who started the secret contacts in Oslo that produced the famous handshake between Mr. Rabin and the Palestine Liberation Organization chairman, Yasser Arafat, at the White House in 1993.

Mr. Beilin's political career has been intimately linked to that of Mr. Peres, and the new prime minister would no doubt like to have him near, either as foreign minister or as minister without portfolio.

Even if Mr. Beilin stays as minister of economics and planning, he would figure to be a close aide to Mr. Peres.

Bomb Spotlights U.S. Aid to Saudis
Riyadh and Washington Prefer to Mask Its ExtentBy Dana Priest
and John Mintz
Washington Post Service

WASHINGTON — The car bomb attack against Americans in Saudi Arabia has cast a spotlight on U.S. assistance to that country's national security apparatus that both Washington and Riyadh have tried to hide.

Fearful of the outcry among Muslim fundamentalists in Saudi Arabia and from U.S. critics of the undemocratic oil kingdom, both governments have tried in secret to help transform the Saudi military from a disorganized, ill-equipped force into a formidable fighting organization able to counter moves by Iran or Iraq — and to defend the regime from domestic insurgency.

So tight-lipped are both countries that Pentagon officials at a briefing after the bombing refused to say how many U.S. military personnel are in the country or what they do.

American soldiers and airmen in the country rarely, if ever, dress in uniform, and many of their buildings, like the one bombed Monday, are unmarked. The many employees of U.S. defense companies working there, many of whom are retired U.S. military officers, are instructed to obscure their connection to the United States.

"We keep as low a silhouette as possible," Edward Atkeson, a senior associate at the Center for Strategic and International Studies, said of his fellow Americans. "It is an anathema to the whole psychology of the Saudis to have anyone else there defending their holy sites."

There are about 5,000 U.S. military personnel in Saudi Arabia, mostly in Riyadh and Dhahran, where Saudi forces are also based. They include aviators and crews for a small

number of U.S. Air Force planes that patrol southern Iraq.

U.S. military and civilian contractor personnel work on two separate programs in the country. The first is the U.S. mission that trains Saudis in the use of American military equipment the Saudis have bought, from F-15 fighters to M-1 tanks and Patriot missiles. The second, which included the office bombed on Monday, is a \$5.6 billion package to modernize, train and equip the Saudi Arabia National Guard.

Assuming that militants opposed to the Saudi regime were responsible for the attack, the choice of target made sense, analysts said: it struck a blow at the foreign military presence that supports the government, and at one of the main pillars of the internal security establishment, the National Guard.

Paid for by the Saudis, the Office of the Program Manager-Saudi National Guard program is run by the U.S. Army Materiel Command and the Vinnell Corp., a subsidiary of BDM International Inc.

BDM and Vinnell have 1,000 employees in Saudi Arabia, plus thousands of dependents, working on long-held contracts to train the Saudi National Guard, Royal Air Force and Royal Land Forces, as well as to develop their computer software and maintain their equipment.

Other U.S. contractors with a large presence in Saudi Arabia include Booz-Allen & Hamilton Inc., which has 200 employees advising the Saudi Navy; Raytheon Corp., which builds Patriot missiles for the Saudis; McDonnell Douglas Corp., which makes F-15s, and General Dynamics Corp., which manufactures M-1 tanks. Since the Gulf War, the Riyadh has ordered \$30 billion worth of U.S. weapons, but deliveries have been delayed by the Saudis' cash shortage.

Peres Seeks to Reassure West Bank Settlers About Security

By Barton Gellman
Washington Post Service

TSOPIN, West Bank — On a bulldozed hilltop astride the line between Israel and the West Bank, Acting Prime Minister Shimon Peres called his first scheduled news conference on Tuesday to tell a skeptical domestic audience that he is keeping close watch on security as he presses ahead with Palestinian self-rule.

It was a message of reassurance aimed at Jewish settlers in the West Bank and residents of Israeli border towns alongside. Mr. Peres packaged

it in a carefully staged setting of senior generals, whirling helicopter blades and a dramatic view of the Israeli town of Kokhav Yair in the valley below.

Mr. Peres, a former defense minister who helped create Israel's nuclear weapons program, is dogged nonetheless by an image of weakness that lost him his party's leadership to Yitzhak Rabin before the last election in 1992.

So on Tuesday, as he prepared to form a government to replace that of his slain predecessor, he donned a suede leather jacket, toured the border area with the armed forces chief of

staff and told reporters he was "as concerned as the late prime minister was about the security of Israel."

Mr. Peres, 72, came here one day after the Israeli Army completed its withdrawal from the Arab city of Jenin, the first of six West Bank population centers to be granted self-rule by the end of the year.

He said he had chosen to finish the pullback a few days early, beating the deadline set in the September accord with the PLO, as a signal that Mr. Rabin's assassination would not interfere with the transfer of land and power to the West Bank.

The new political map emerging here, he said, calls for "a highly sensitive mixture of political considerations and security needs."

He said he would do his best "not to disturb the normal life of people in the West Bank, whether Jewish people or Arab people."

Merely by describing the Jewish settlers as objects of his concern, Mr. Peres was extending an olive branch. In the environment of mutual vitriol that preceded his death, Mr. Rabin had mostly stopped trying to patch relations with the settlers.

As Mr. Peres conducted his heli-

copter tour, President Ezer Weizman began consultations on formation of a new governing coalition. Mr. Weizman is obliged to give the nod to the parliamentary leader most likely to obtain 61 votes in the 120-seat Knesset, and the selection of Mr. Peres is a foregone conclusion.

On Tuesday, Haim Ramon, a popular maverick who left the party to wrest control of the Histadrut labor federation, made an unconditional return to the Labor Party fold. Mr. Ramon is thought to want a senior cabinet post like Interior, but he said he had made no demands on Mr. Peres.

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INTERNATIONAL



A woman in the market square of Travnik, Bosnia-Herzegovina, a Muslim stronghold where fighting has subsided.

U.S. Peacekeepers: It's a Tough Sell

By Helen Dewar
Washington Post Service

WASHINGTON — As he prepares to confront a skeptical Congress over sending U.S. peacekeeping troops to Bosnia if talks in Ohio produce an accord, President Bill Clinton hopes to copy the success with legislators that George Bush had in advance of the Gulf War five years ago.

But the differences are profound, including Bosnia's lack of Gulf oil as a vital interest to defend and Mr. Clinton's lack of sure-footed command of foreign policy that President Bush had.

Another change is the high degree of doubt about a Bosnia mission even among Mr. Clinton's fellow Democrats, to

NEWS ANALYSIS

a greater extent than Mr. Bush faced among Republicans.

Mr. Clinton also must deal with a large group of Republican freshmen, especially in the House, who seem far more willing to defy the president than Democrats were during the Gulf crisis.

The depths of Mr. Clinton's difficulties cannot be gauged before a peace agreement is reached, its details are known and the president makes his case. Some key lawmakers in both parties say they believe he can win if he plays his cards as well as Mr. Bush did. But leading legislators already are predicting that Mr. Clinton will face a much tougher fight than his predecessor.

In a bluntly worded letter to the pres-

ident that was sent Friday and made public on Monday, the Senate majority leader, Bob Dole of Kansas, and the House speaker, Newt Gingrich of Georgia, said support in Congress for deploying U.S. forces in Bosnia is "virtually nil."

To win congressional support, "you will need to demonstrate to the Congress and the American people that the mission to Bosnia is vital to our national interests, it is well defined and achievable, and that it is the best option available," the two Republican leaders wrote.

Mr. Dole and Mr. Gingrich explicitly warned Mr. Clinton against reaching an agreement at the U.S.-led peace talks just outside Dayton, Ohio, while assuming that Congress would approve sending troops to back an accord.

"It would be the gravest possible mistake to reach agreement in Dayton and then to find you do not have the support of the American people and Congress," they wrote.

Comparing Mr. Clinton's and Mr. Bush's challenges, Senator John McCain of Arizona, a Republican member of the Armed Services Committee, said, "The difficulties are far greater now because it's harder to make the case that our security is at stake in Bosnia than it was in the Gulf."

Mr. Clinton's difficulties are greater also, he said, "because of the dismal experience with peacekeeping in Somalia and elsewhere, because of the lack of confidence in this administration's ability to conduct a foreign policy operation and

because of the widespread perception that Bosnia is a quagmire."

The administration has emphasized that it will only send troops to Bosnia if a strong peace accord is reached, thus minimizing the risk to American soldiers.

Considerable progress has been made in Dayton, however, and if an agreement is reached then administration officials said they planned to launch a campaign to persuade Congress of the need for U.S. peacekeepers. A key element in the effort is likely to be an appearance before Congress by President Alija Izetbegovic of Bosnia, a Muslim, to argue the case for sending troops.

Mr. Clinton is hoping to reproduce parts of the strategy that Mr. Bush used with lawmakers. Five years ago, Mr. Bush faced a skeptical Congress whose Democratic majority badgered him to seek legislative approval before launching an offensive to retake Kuwait. Mr. Bush did so, while reserving his constitutional right to act if Congress turned him down. After a dogged effort to massage lawmakers' taut nerves, he won their approval, and they jointly celebrated a big victory when it was all over.

Mr. Clinton has said he will "request an expression of congressional support" but, like Mr. Bush and other past presidents, has said he would not be bound by a congressional rejection. Mr. Bush only sought the O.K. of Congress before actually attacking Iraq. Earlier, he sent hundreds of thousands of U.S. troops to Saudi Arabia without getting approval from Congress.

With Bosnia Talks At Critical Phase, It's Now or Never

By Roger Cohen
New York Times Service

DAYTON, Ohio — With Bosnian peace talks at a stand-off over territory, Secretary of State Warren M. Christopher began Tuesday what administration officials called a last-ditch attempt to prod the parties toward an overall settlement.

The Serbs and the Bosnian government are taking irreconcilable positions on territory right now," said a senior official close to the negotiations. "So we're bringing Christopher in for as much as two days, and my guess is we'll either close this thing down or come out with a success."

After almost two weeks of talks, the officials said that fatigue and a mild sense of confinement were beginning to set in among the delegations at the Wright-Patterson Air Force Base in Dayton, Ohio, and that the next few days would probably be decisive.

Nicholas Burns, the State Department spokesman, painted a rather different picture of the status of the talks and the nature of Mr. Christopher's visit. He said that the Bosnian negotiations could continue into next week and that the secretary of state would leave Tuesday evening for a meeting of the Asia-Pacific Economic Conference in Osaka, Japan.

But it appeared that the official State Department position was intended to concentrate the minds of the delegations by making Mr. Christopher's departure more imminent than it may actually be. Moreover, pessimistic assessments have been given by the State Department, only to be belied by a series of diplomatic successes.

The most recent of these was the agreement reached Sunday on the Serbs' surrender of eastern Slavonia to Croatian control. The accord basically settles the conflict between Serbs and Croats that was at the heart of Yugoslavia's disintegration. The possibility that the Bosnian war would spread has thus apparently been eliminated

and an avenue has been opened to the gradual improvement of relations between the two largest ethnic groups in the area, Serbs and Croats.

This amounts to a decisive development that renders the logic of war in the Balkans far less compelling.

But a settlement of the territorial dispute in Bosnia that lies at the heart of the conflict there remains elusive. Over the last few days, intensive discussion has been dedicated to these issues, with little or no progress, officials said.

On every territorial issue, the Muslim-led government presses for solutions that tend to promote unity, while the Serbs want a self-sufficient entity that might be joined with Serbia one day, the officials said.

The status of Sarajevo, the capital, has already proved a poisonous issue. At least one plan for the city's administration has been ripped up in the face of Serbian objections. In essence, the Serbs reject any unified municipal administration because they fear that this will only lead to a Muslim-dominated city council, reflecting the Muslim majority in the city.

Another difficult issue is that of the so-called Posavina corridor, the narrow strip of land south of Brcko that connects Serbia with the largest Serb-held city in Bosnia, Banja Luka.

The Serbs want the strip widened to provide a flight corridor from Belgrade to Banja Luka. But the Bosnian government effectively wants the corridor eliminated. These positions appear virtually irreconcilable.

General Is Promoted

President Franjo Tudjman of Croatia promoted a Bosnian Croatian militia officer Tuesday despite his indictment for war crimes by a UN tribunal.

State television said General Tihomir Blaskic had been appointed an inspector in the main inspectorate of the Croatian Army a day after being charged with five other Bosnian Croats in the slaughter of Muslims.

Top Leaders Won't Quit, Rebel Serb Report Says

The Associated Press

BELGRADE — The two top leaders of the Bosnian Serbs, indicted as war criminals, will keep their posts despite U.S. pressure to remove them, the Bosnian Serbs' news agency reported Tuesday.

The report appeared to refute an article in NIN, an influential Belgrade weekly, which said recently that President Slobodan Milosevic of Serbia had reached agreement with the Bosnian Serbs' political leader, Radovan Karadzic, and their military commander, Lieutenant General Ratko Mladic, for their "quiet departure" once a peace accord for the region was signed.

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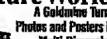
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EU Mishandled \$6.8 Billion In 1994 Budget, Audit Finds

STRASBOURG — The European Union's financial watchdog assailed the European Commission and the EU's member countries on Tuesday for mishandling more than \$6.8 billion of last year's EU budget.

In a report on the bloc's finances, the EU Court of Auditors confirmed that about 5.7 billion European Currency Units, or more than 7 percent of the 73 billion Ecu (\$97 billion) EU budget, had been paid in error or without adequate checks.

Among the findings were "very numerous, serious substantial errors" in payments that resulted in as much as 2.39 billion Ecu being wrongly charged to the EU budget.

A further 2.88 billion Ecu in spending was apparently subject to incorrect contract and tendering procedures.

Errors were found in most

areas of spending, including agricultural guarantees, fisheries, regional aid, research and aid to Eastern Europe.

Greece, Spain and Italy were singled out for allegedly being paid large sums of EU funds for farm produce that was substandard or simply did not exist.

In an address to the European Parliament, the president of the Court of Auditors, André Midekhou, cited "weaknesses," "unsatisfactory financial administration" and a "continuing need for better improvement."

Speaking to a committee Monday, he blamed 80 percent of the spending errors on the 12 members that were in the European Union last year but said the European Commission was equally responsible.

In his speech on Tuesday, however, he also noted encouraging procedures introduced by the new commission that offered "the prospect of changing what has been a rather lax

Aristide Appeals for Order

UN to Help Curb Illegal Arms Searches

PORT-AU-PRINCE, Haiti — President Jean-Bertrand Aristide has appealed for order after violence spread into Haiti's countryside, and the United Nations pledged help to curb a citizens' disarmament campaign that is threatening to get out of hand.

"There is a possibility of it getting out of control. There is a possibility for provocation," said Mr. Aristide of the latest protests. "We will never accept one or the other."

Four people were killed and nine were wounded by gunfire during a pro-government demonstration Monday in Gonaïves, 150 kilometers (95 miles) northwest of Port-au-Prince. The four fatalities brought to seven the death toll from demonstrations around the country since a member of Parliament from Mr. Aristide's party was murdered in Port-au-Prince on Nov. 8.

The UN special envoy to Haiti, Lakshar Brahimi, calling weapons searches by civilians

Montreal Gets UN Site

MONTREAL — Montreal has been chosen over Geneva, Madrid and Nairobi to become headquarters of a United Nations environmental secretariat to protect the world's animals and plants.

Government representatives from around the world selected Montreal on Monday after eight months of competition. The secretariat, to open in about six months, will employ 23 persons and have an annual budget of \$8 million.

FRANCE: Alarmed by Arab Alienation and Anger

Continued from Page 1

from the huge pool of the angry, alienated and unemployed.

"It's not hard to see why a lot of guys turn to violence," said Hassan Drif, 25, another jobless North African from the Yvelines district outside Paris.

"About half of the people my age are so frustrated they allow themselves to be manipulated because they feel so worthless," Areski Dahmani, president of France Plus, an organization that strives to promote ethnic harmony, said. "Racial integration has failed at every level of French society in the past 20 years."

"Now that the authorities see they have a potential fifth column of angry, state-hating North Africans, they think giving them a few peanuts will calm them down," Mr. Dahmani said. "But things have gone too far. The killing of Kellal was the last straw. He is now seen as a martyr, a kind of Robin Hood who defied the state. Unless there is a dramatic change, we could fall into the abyss of civil war within five years."

Prime Minister Alain Juppé has pledged to make integration one of his top priorities in coming months. He has promised to unveil by the end of the month a "Marshall Plan" to resuscitate the suburban ghettos.

But the government already appears torn over whether to devote the lion's share of those resources to creating jobs and other productive outlets for young North Africans or to give more money to the police for more effective tools to fight violence.

Faced with the rise of the anti-immigrant National Front party, Mr. Juppé's government is coming under pressure to crack down on what some members have described as an *infidada*, or uprising, by Arab youths that must be crushed, just like the *infidada* by young Palestinians against Israel.



A FOND FAREWELL — President Nelson Mandela of South Africa receiving a gift from a well-wisher Tuesday during a visit to a Maori area in New Zealand. Mr. Mandela was in the country for the biennial Commonwealth summit meeting.

EU Officials Draft An Arms Embargo To Punish Nigeria

BRUSSELS — European Union officials drew up plans Tuesday for an arms embargo and other steps to punish Nigeria's military rulers for the execution of nine rights activists.

They held back from suggesting trade sanctions.

The proposals by a working group, including EU member-state ambassadors recalled from Nigeria, will be reviewed by EU ambassadors on Wednesday and could be adopted by the EU Council of Ministers on Friday.

"There was a consensus to reaffirm and extend measures against the Nigerian military and military members of the regime," an official said, adding that care would be taken to avoid penalizing the Nigerian people.

Some countries suggested curbing Nigeria's oil exports. "It has been mentioned by one or two delegations," said another EU official, adding that no conclusions had been reached. Broader measures, like trade sanctions or imposing the overseas assets of Nigeria's military rulers, were better left to the United Nations, the European officials agreed.

In Strasbourg, the European Parliament was drafting a resolution condemning Nigeria and calling for the arms embargo to be tightened and oil to "be used as a weapon."

Separately, Nigeria said Tuesday that British scheming was behind its suspension from the Commonwealth.

State-run radio said Nigeria's suspension from the Commonwealth, which was ordered in reaction to the hangings of the author and minority rights activist Ken Saro-Wiwa and eight others, was "the culmination of a period of maneuvering and conspiracy."

More countries continued to recall their top diplomats from Lagos, the latest being Russia. In turn, Lagos ordered recalls of envoys. (Reuters, AFP)

A Smiling Yeltsin Declares His Hand Is on the Rudder

MOSCOW — Looking stronger and healthier than he has in weeks, President Boris Yeltsin insisted Tuesday that he was keeping Russia under control from his hospital room.

Mr. Yeltsin, who appeared pale and slurred his words in a televised interview earlier this month, spoke clearly and looked and acted more energetic in a meeting with Kazakhstan's president, Nursultan Nazarbayev.

"I'm in full control of the rudder of the big Russian ship," the smiling leader, wearing a suit and tie, told camera crews. "I'm keeping my finger on the pulse."

Mr. Yeltsin was hospitalized Oct. 26 with his second bout of heart trouble in four months.

BUDGET: Real Issue Is Balance

Continued from Page 1

Cooper movie "High Noon": "At some point, we're walking out of that saloon and if we have to have a battle, we have to have a battle."

Some White House officials and outside advisers believe the best possible outcome for Mr. Clinton would be to postpone the budget fight as long as possible, making it the centerpiece of the 1996 presidential and congressional campaigns.

Officially, the White House rejects that scenario, because it would put Mr. Clinton in the position of arguing — rather than governing — for the next year. Unofficially, however, some advisers believe it would give them the opportunity to build on what they see as growing public opposition to the Republican cuts.

Embassies Expect Little Effect From Shutdown of Government

International Herald Tribune

The partial U.S. government shutdown will apparently limit some embassy and consular operations to emergency services around the world, but will have little impact at other embassies, at least initially.

A State Department spokeswoman in Washington said that emergency services would include help in disaster evacuation and in dealing with the deaths of Americans overseas.

Included on a case-by-case basis were other citizen services such as visits in jail, the distribution of U.S. government benefits and the replacement of lost passports.

An American who loses a passport would not have it replaced unless it were a "life or death" situation, the spokeswoman said.

The U.S. embassies in London and Paris reported normal operations Tuesday.

A spokesman in Paris said that passport and other consular operations had not been affected. Most of the clerical work is done by French staff, who cannot be furloughed under local law.

A spokesman at the U.S. Embassy in London said that "all public services will continue as normal for the time being." She had received no word of staff reductions or service cuts.

The U.S. Embassy in Cairo, the largest American embassy in the Middle East, said Tuesday that it would stop delivering visas except in emergencies and close other services as of Wednesday. It added that the American Center in Alexandria would reduce its operations because of the shutdown.

SECURE: For Summit Meeting, Japanese Police Nail Down the Lid

Continued from Page 1

know that Osaka hopes to be play host for the 2008 Olympic Games, and a smooth showing now would be a big boost.

"These strict controls are much better than something happening," said Mr. Sasamori, 39, who said he would follow police instructions to the letter.

The police told him that if anyone telephoned with suspicious inquiries about his nailgun, he should call the police. If someone calling himself as a police officer comes to his door to inspect the tool, he was told to ask for identification.

The police say motorcycle gang members are being understood, too.

Osaka vibrates with motorcycle gang activity. Policemen have taken ambitious, but always courteous, measures to keep motorcycle gangs off the streets during the conference.

Police have been knocking on doors all over Osaka to urge motorcycle gang members not to disrupt the meeting.

"We told them it's better to work seriously," said Takao Honda, a senior Osaka police official.

Even if the gangs wanted to disrupt the night during the meeting, it's doubtful they would get far. The police have locked Osaka tight. Trash cans have been removed or sealed.

More than 1,000 police officers have been added just to handle traffic in central Osaka. They will be watching the city from helicopters, and even a blimp.

Still, at least one person thinks this is a little silly.

Kazuo Kurita, whose company manufactures nail-guns, said Japan was the only country in the world that requires the police registration of the tools. He said he could not imagine a nail-gun being an effective weapon, let alone a threat to the leaders.

"It's much easier to hit someone with a hammer," he said.

UNION: Germany's Monetary Leadership Continues to Grow Stronger

Continued from Page 1

German economic policies. Now, Europe's most powerful economy is creating another set of requirements for fiscal behavior that would take effect after the start of a single currency.

Yet while nearly all economists agree it is desirable to reduce budget deficits, the German stability pact would virtually eliminate freedom of maneuver for most other European government policy makers.

"If Maastricht ties one hand of policy makers behind their backs," said Alison Cottrell, an economist with PaineWebber in London, "then this new German move would be like tying your feet together."

In other words, the new German-dictated requirements mean that the range of economic policy options that might normally be discussed and debated in most European democracies could end up being sharply curtailed. And that inability to contemplate a spectrum of policies — including the option of deficit spending aimed at refueling an economy to fight unemployment — could lead to a de facto German suzerainty over the rest of Europe, with national governments ceding most of their sovereignty over economic policy.

The influence of Germany over the rest of the Continent was underscored again Tuesday when Alexandre Lamfalussy, president of the European Monetary Institute, the forerunner of a future European central bank, said he shared "entirely" Mr. Waigel's aims for a stability pact that could penalize single-currency member nations that did not maintain a strict enough fiscal policy.

But the tough talk from leading government and Bundesbank officials has also persuaded some economists and politicians that Mr. Waigel and Chancellor Kohl may wish to leave the door open to a delay in monetary union.

A face-saving mechanism, or just setting potentially costly sanctions or possibly high criteria for EMU members, could eventually prove helpful to both Germany

and France. For President Jacques Chirac of France, it could offer a crucial extra year or two to reduce the country's runaway deficits. For Mr. Kohl, it could mean not having to push the German people into giving up the mark just before they cast their ballots in the 1998 general election.

Ms. Cottrell at PaineWebber said she thought Mr. Waigel was "using the stability pact not because he and Kohl think it will happen, but in order to persuade the German electorate that the Deutsche mark will not be traded for a weaker currency."

"I think that if France really thought it would happen they wouldn't be so keen on the Waigel proposal," she said, adding that the sheer implementation of a system of penalties would be "an administrative nightmare."

Julian Jessop, European economist at HSBC Markets Research in London, said Tuesday that he thought Europe's single-currency plan would ultimately fail "at the final hurdle" because the German people did not wish to give up the Deutsche mark and because Parliament would not vote for monetary union in 1998.

He stressed, however, that whether for domestic political or pan-European reasons, the Germans wanted to assure that the economic policies of all European governments resembled their own.

"The Germans," said Mr. Jessop, "clearly want either direct control over fiscal policy in other countries through a mechanism that provides more political federalism or, if that is not possible, then the idea is to make the convergence criteria for monetary union more binding on everyone else."

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Herald Tribune

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Balance in Saudi Arabia

It is too early to draw firm conclusions about the explosion that rocked Saudi Arabia's capital on Monday, destroying a United States-run National Guard training building and killing four Americans. They were part of a group of about 100 Americans training Saudi forces in the use of weapons imported from the United States. Two obscure Islamic groups claimed responsibility. Both Washington and Riyadh continue to investigate the incident.

The attack is a reminder of the inherent vulnerability of the American position in Saudi Arabia, the world's leading oil producer and the largest pro-Western state in the Gulf region. As the Gulf war made clear, the Saudi regime depends on American military protection against larger neighbors like Iran and Iraq. Yet the regime, while it remains firmly in control, has seen its grip challenged in recent years by the radical brand of political Islam that is sweeping the Middle East.

Some Saudi Islamic groups are home-grown, others receive substantial support from Iran and Sudan. In recent months these groups have threatened violence, issued ultimatums against the presence of Americans and carried out at least one terrorist operation.

Under present circumstances, Washington has little choice but to maintain close relations with the Saudi monarchy.

The U.S. economy depends on benign Saudi oil-pricing policies. Yet despite big arms purchases from the United States, the sparsely populated kingdom is incapable of defending itself against much larger neighbors. Saudi political considerations rule out basing large numbers of American troops on Saudi soil, so Washington sells enormous quantities of advanced weapons and helps train Saudi troops.

The regime faces increasing challenge at home as well as from abroad. Open political discussion is largely limited to issues concerning religious doctrine and practice, especially the role of women. But more prosaic issues, like corruption and the management of fiscal resources that have been less flush since the oil price drop of the mid-1980s and the huge expenses of the Gulf war, are often at play beneath the surface.

These challenges push American policy in two potentially conflicting directions. To reduce the risk of future upheavals, Washington needs to encourage a more open political system and more prudent economic management, as well as more effective self-defense. Yet to avoid provoking Islamic sensitivities it needs to keep its advice and its presence low-key. It will not be any easier to maintain that balance after Monday's attack.

—THE NEW YORK TIMES.

Avoidable Shutdown

On the budget, the president and the congressional Republicans are both indulging in theater at the expense of substance. If the public is put off by it, well, it ought to be. Examples abound.

The Republicans attached to the debt ceiling bill last week a 112-page amendment that no one had seen before. It turned out to be the bulk of the regulatory reform proposal that they, with good cause, have had so much trouble getting through the Senate under the regular rules. They were able to say to the business and other constituencies that favor the proposal: Look what we've done for you. But the president could say to some of his constituents, when he vetoes the measure: Look what I've done for you. In fact, neither of them had done anything, but never mind.

The president was meanwhile claiming that he could not possibly sign the continuing resolution to keep the government operating because the Republicans had dropped into it their proposal for higher Medicare premiums. But, as the Republicans have rightly observed, premiums would also rise in the years ahead under the Medicare proposals that the president has made. There are lots of ways to figure these things, but the Republicans say that by the year 2002, when they want to balance the budget, the premium under their plan would be about \$88 a month and the premium under the president's plan about \$83. That is hardly the fundamental policy difference that the president implied.

Sure, there are basic policy disputes underlying all this and waiting to be resolved. But they are not resolving them, not yet at least. They are trying to score political points.

The president, justifiably uneasy about his reputation for sudden reversals, urgently wants to be seen as holding his position firmly. The Republican leaders of Congress wish to have their zeal and determination noted. So how it looks is mainly what it is about on both sides.

The worst of the situation is that on the substance of the money bills, sensible compromises are within reach. If the president and his congressional adversaries let the federal agencies slide into a semi-shutdown, it is because they consider the imperatives of image and position to be more compelling, at least for the moment, than the business of government.

If they were interested in compromise, they would not have far to look. On Monday the chairman of the Senate Budget Committee, Pete Domenici, suggested that the whole Medicare issue in this bill could be set aside by simply freezing the premium at its present level while the broader questions of Medicare were resolved. No body seemed much interested, either at the White House or among Senator Domenici's colleagues in Congress.

Similar opportunities are in sight for the much more important differences over spending and benefits that lie behind the current dramas. Both the president and the Republican Congress are committed to a balanced budget. The most serious questions are how best to do it without injuring people who are already poor or near-poor, and those questions are hardly being mentioned currently by either side. But useful answers are readily available, as a group of conservative Democrats headed by Representative Charles W. Stenholm of Texas demonstrated in a comparatively sensible budget proposal that has been brushed off by the leadership of both parties.

When Lyndon Johnson was Senate majority leader a generation ago, he was famous for asking his contentious colleagues whether they wanted a quarrel or a bill. For the present, both the president and Congress seem to want a quarrel. But there is a certain risk in it. They may discover that voters interpret this easily avoidable shutdown of government offices as a demonstration not of devotion to principle but of incompetence.

—THE WASHINGTON POST.

Drama in Guatemala

A ragged but hopeful drama is unfolding in Guatemala as the country where the Cold War started in the Western Hemisphere struggles to put its ordeal behind. The elections now under way are the first in which all parties to Latin America's longest war have joined in a common political enterprise. But free and fair elections, it turns out, are a necessary but not sufficient condition for making democracy work.

The actual process on Sunday went well. A two-week election cease-fire between government and guerrillas showed a welcome mutual discipline. But Guatemala lacks the strong democratic parties and interest groups of a mature civil society. A runoff of the top two (of 19) candidates on Jan. 7 will pit Alvaro Arzú, an outward-looking businessman of the right who speaks (in mostly Mayan Guatemala) against racial discrimination, and Alfonso Portillo, designer of a populist dictator with a military record harsh and contemptuous of law even by Guatemalan standards.

The United States interrupted Guatemala's democratic development in 1954, sponsoring a coup against an elected president thought by Washington to be dangerously left-leaning. The civil war that

subsequently broke out took an awesome human and social toll, ignited violence across Central America and postponed any real prospect of democratic rebirth until the Cold War had come to an end.

When that moment came, it was agreed that others, not Washington, should take a patron's role. In large and largely unnoted service, the United Nations has mediated government-guerrilla accords on human and indigenous rights (with itself as monitor) and (with implementation still to come) on resettling refugees and documenting past abuses. Still to be sorted out: land reform, demobilization, subordination of the military.

This last goal requires the United States to apply its own Cold War lessons. That means going beyond trying to encourage an open society and an open economy. It means exercising anything that even faintly suggests a lingering Pentagon or CIA license for Guatemalan thuggery. The human rights groups find American policy pulling its human rights punches in the name of preserving American influence to deliver the armed forces to political reform. The two goals are in tension, but not in irreconcilable tension, if the United States will work at it.

—THE WASHINGTON POST.

American Forces Should Remain Based in Japan

By Ralph A. Cossa

HONOLULU — Should U.S. forces remain based in Japan following Japanese outrage at the recent rape and assault of a schoolgirl by American servicemen on Okinawa?

The short answer is "yes," because it is in the national security interests of both America and Japan for U.S. troops to stay, and because the incident, horrible as it was, does not reflect the behavior of the overwhelming majority of the 47,000 U.S. military personnel based in Japan.

The question of whether U.S. forces have a role to play in Japan and elsewhere in Asia after the end of the Cold War has been a frequent topic of debate. Such debate should continue. But, as with any discussion involving national security interests, it should be well reasoned and based on facts, not on misinformation and emotion-laden exaggerations. Chalmers Johnson, in "Why Keep U.S. Forces in Japan?" (IHT Opinion, Nov. 7), has done little to contribute to meaningful debate and much to fan emotional flames.

In his latest attack on the continued presence of American forces in Northeast Asia, Mr. Johnson shows ignorance of, or disregard for, the facts. He accuses the Clinton administration of "acting like a colonial power" because it maintains Status of Forces agreements with Japan and South Korea.

"What we are talking about here," says Mr. Johnson, "is extraterritoriality."

which he properly defines as a refusal to permit one's citizens to be tried under the laws of the country in which an alleged crime occurs. Even as CNN brings us television pictures of the American servicemen being marched into a Japanese court before a Japanese judge, Mr. Johnson appears unable to grasp the difference between ensuring that one's citizens receive proper legal treatment and "extraterritoriality."

Try as it might (and it clearly does try), the U.S. military cannot control the conduct of all its members, at home or abroad. When civil laws are broken, soldiers are not exempted from trial or punishment.

But U.S. defense officials are responsible for ensuring that military personnel, when stationed overseas, receive legal protection commensurate with that enjoyed by citizens at home. Hence the continued necessity for Status of Forces agreements wherever American troops are based.

Mr. Johnson fans the flames of discontent by noting that extraterritoriality reflected the Western belief that "Asian law was barbaric," and then notes that this outdated Western assertion still applies to Japan and South Korea. He fails to note that the Japan Status of Forces agreement, as a result of a recent side letter, now essentially mirrors the agreement

between the U.S. military and that other group of barbarians, America's European and Canadian allies in NATO.

William Perry, the U.S. secretary of defense, during his recent visit to Seoul, started talks to bring the Status of Forces agreement for South Korea more in line with the one in Japan.

American servicemen accused of crimes in South Korea are also tried in local courts and, if found guilty, go to local jails to serve their time. In both the Japanese and the Korean cases, the debate has been over at what point in the process they are turned over to host nation custody, not whose laws they must obey or whose courts they are tried in.

Mr. Johnson accuses the Pentagon of looking for a public relations ploy rather than addressing the basic question about why U.S. forces are needed. His accusation dismisses the Defense Department's recent East Asia Strategy Review as providing "equivocal answers."

Instead, he claims that the "real reason" for the U.S. presence is distrust of Japan, which America wants to keep as a "permanent ward."

The U.S. military stationed in Japan and South Korea helps promote stability in a region vital to American interests but still rife with distrust.

The military presence guards against a resumption of hostilities, increases U.S. ability to deter crises in the region, and

demonstrates America's commitment to its friends and allies. The presence serves as a hedge against uncertainty and averts a "power vacuum" that others who do not necessarily share America's interests might be tempted to fill.

In short, it is a low-cost insurance policy that helps guard against future regional instability while protecting and promoting American national interests.

The U.S. military presence protects and promotes Japanese and South Korean interests as well. If this military presence were so "deeply insulting," why did the Japanese government just agree to provide an additional \$500 million a year in host nation support, bringing its annual compensation to help offset U.S. basing costs to \$5 billion?

And why has the South Korean government just agreed to increase its level of host nation support by 10 percent a year for each of the next three years?

Emotions have been running high over the Okinawa rape case and the continuing Status of Forces agreement debate in South Korea. Mr. Johnson fans the flames of discontent. His comments are a disservice to the people of both nations, and to American personnel stationed there.

The writer, executive director of the Pacific Forum/CSIS think tank in Honolulu, contributed this comment to the International Herald Tribune.

Japan Wants Open Prosperity in the Diverse Asia-Pacific Region

By Tomiichi Murayama

The writer is prime minister of Japan.

TOKYO — The 50th anniversary of the end of the war, in 1995, is of great historical significance not only for Japan but for all of the peoples of the Asia-Pacific region. It is both a time to look back on our history and a time to open the way to a better future. We find new strength, hope and inspiration in the striking advances achieved by the Asia-Pacific Economic Cooperation forum.

On Sunday, the APEC economic leaders gather in Osaka to build an even greater sense of community grounded in Asia-Pacific economic dynamism. I am keenly aware of our grave responsibility for APEC's further development.

Japan is determined to further strengthen its bonds of mutual understanding and trust with its Asia-Pacific neighbors and to work in the APEC forum to enhance its cooperation in the economic sphere and hence to contribute to the region's stability and development.

Since taking office as prime minister, I have visited the Republic of Korea, the Philippines, Vietnam, Malaysia, Singapore, Indonesia and China. I have seen firsthand their determination to deregulate and privatize, to foster cutting-edge industries, and I have been impressed by their drive for sound economic development for a brighter future.

The Asia-Pacific region today features proactive initiatives for market opening and liberalization sustained by the confidence that comes of striking economic growth. The time is past when Asian markets could be seen as tightly closed to protect indigenous industry from the threat of Western competition.

The APEC members account for about 40 percent of the world population and world trade and about 60 percent of world GDP. Crucial to the world economy and with a bright future before them, these countries are making determined efforts for trade and investment liberalization and facilitation and for further promotion of economic and technical cooperation.

APEC is fast becoming one of the most important cooperative

frameworks for the prosperity of its member peoples.

Since its founding, APEC has stood out from other regional frameworks in its advocacy of open regional cooperation and free trade. With much of the world rightly concerned about the rise of exclusionary regionalism and protectionism, APEC has an extremely important role to play as a framework for open regional cooperation to sustain and strengthen the WTO-centered multilateral free-trade system.

Given APEC's importance, President Bill Clinton convened the region's economic leaders for a visionary meeting the year before last in Seattle, and President Suharto set forth the long-term goals for liberalization last year in Bogor, Indonesia. As chair of this year's leaders meeting, my main task is to get APEC to translate these goals into action.

Specifically, we need to devise a framework for implementing the leaders' political will, as stated in Bogor, to achieve free and open trade and investment in the Asia-Pacific no later than 2010 for the industrialized economies and 2020 for the developing economies, and to intensify development cooperation.

This framework is in the action agenda drawn up by Japan and the other APEC members — a road map indicating the medium- and long-term overall directions for the member economies on the way to achieving the Bogor goals.

With the drafting of this action agenda, the Osaka meetings mark APEC's transition from concept to action. I intend to fulfill Japan's responsibilities as this year's chair and to get a meaningful action agenda adopted that will provide specific guidelines for long-term cooperation and development for all the peoples of the Asia-Pacific region.

Economic and technical cooperation is also important, as are trade and investment liberalization and facilitation, for reducing economic disparities in the region.

Japan proposed a Partners for Progress mechanism in Bogor that we will flesh out in Osaka consistent with the action agenda, so that APEC can make a bigger effort to address such regional issues as human resources development and technology transfer.

Each of the APEC member economies is going to bring a list of initial actions to Osaka stating what it can do now for liberalization and facilitation. Taking the initiative as chair, Japan will unveil a meaningful list of initial actions in such areas as accelerating implementation of the Uruguay Round commitments and deregulating.

APEC's trade and investment liberalization is to be achieved with concerted action grounded in voluntarism and collective initiative. The APEC membership is extremely diverse — politically,

economically and culturally — and there are major differences in its members' economic systems, stages of development and levels of liberalization. It is wiser and more realistic to respect each member economy's voluntary initiatives for market opening and to take collective action, with continuing consultations and reviews aimed at ensuring that the different economies' actions are balanced and concerted.

Recognizing the benefits of liberalization, a number of APEC economies have voluntarily reduced their tariffs since the conclusion of the Uruguay Round. This has been called a unique Asia-Pacific way. It might be likened to an orchestra in which each member is playing his or her own instrument yet the result is a harmonious performance.

Together with the other leaders in Osaka, I intend to exercise the necessary leadership so that each player can be at his or her best and the first movement of this historic

APEC symphony is music to everyone's ears.

Today's obvious economic growth has generated manifest optimism in the Asia-Pacific region. Yet, coupled with population growth, it will almost inevitably result in more demand for food and energy resources and increased pressures on the environment. We must not ignore these and other challenges that lie ahead.

From the long-term and strategic perspective, I expect the APEC member economies to join hands to deal with the various issues that threaten to hobble the building of an open and prosperous Asia-Pacific economy. It is imperative that we begin these collective efforts now so as to keep the Asia-Pacific fields of hope lit.

APEC's efforts to promote open regional cooperation are bound to contribute significantly to economic development not only in the Asia-Pacific region but throughout the world.

International Herald Tribune.

Europe Needs Still Freer World Trade

By Mats Hellström

The writer is Swedish minister for foreign trade and European Union affairs.

STOCKHOLM — The significance of the year 1996 in Europe tends to be concentrated on the EU Intergovernmental Conference. But 1996 is also the year for the first ministerial meeting of the World Trade Organization, in Singapore. Initiatives for further liberalization of world trade are absolutely crucial for the economic future of Europe.

WTO progress is at least as vital for Europe as many of the internal issues about EU institutions, decision-making procedures and security arrangements, however important they may be, that will be discussed at the Intergovernmental Conference.

The rapidly changing world economy has entailed dramatic shifts in trading patterns. The forms of economic activity are changing. The multilateral trading rules have to be adapted accordingly, if the system is to remain relevant.

If we do not meet these re-

quirements, for example by failing to reach multilateral trade agreements in important new fields such as telecommunications and investment, governments and the world business community could lose faith in the WTO from the start. The momentum to liberalize world trade has to be sustained.

The recent Stockholm Trade Policy Seminar, to which I invited trade ministers, academics and officials from different parts of the world, was the start of what has to be an intensive process of consultation to build a solid strategy for future trade liberalization.

If we fail to meet the expectations for the new WTO and for the WTO ministerial meeting in Singapore in December 1996, there is a clear risk that the results obtained in the Uruguay Round could be jeopardized. The world would then see new barriers to free trade, and a growing possibility of trade wars. This must not happen.

The results of the Uruguay Round are a foundation for the future work. We need to get on with the job, within the new framework of the WTO.

In the business sector it is often said that we need a new comprehensive round of multilateral trade negotiations like the Uruguay Round. Others argue in

the opposite direction: a major new trade round would be counterproductive, they say, and risk to freeze development for many years; they add that the way to proceed is by sectoral or item-by-item negotiations.

To concentrate now on plans for a major round in the very near term, in my view, not the best way to get results. It could rather create great frustration. In a number of areas (including agriculture and services), the WTO agreements already commit the members to continued negotiations, to be completed by specific dates. The WTO should be made competent to negotiate sector by sector.

Today we see dramatic development in regional trade arrangements in all parts of the world — APEC, Mercosur, NAFTA, European Union, among others. This is basically a positive sign, insofar as it reflects a desire to liberalize trade and open up markets. This has to be reflected in the new trade negotiation setup. These regional projects in trade integration can open up new ways for future global liberalization, and in many cases have already done so.

There is a need for change in the WTO procedures so as to link different regional agreements in such a way that countries outside them could benefit from the liberalization results. A good case can be made for bringing matters like this up for discussion at the ministerial meeting of the WTO in Singapore in 1996.

International Herald Tribune.

Getting In on the Action in Cuba

By Andrew Meier

SAN FRANCISCO — Thanks to a Cubana Air flight from a West Indian isle, I recently joined the growing number of Americans who have crossed a final frontier of the Cold War. Cuba is one of the hottest destinations in the Western Hemisphere.

The tourists go for sun and sand, but they also bring change. And if enough Americans went, they could bring down their government's embargo.

Quite a few yanquis are already there. Cuba may be communism's last haven, a Galapagos of the Cold War, but more and more American executives are scouting the terrain.

On Oct. 6, the day President Bill Clinton relaxed travel restrictions, Time Warner escorted an entourage of corporate executives to dine with the aging dictator in Havana. Fidel Castro's table included the heads of GM, Lockheed, the Gap, Sears, K-Mart, Hyatt and two dozen other giants.

Most Americans still have to go via Mexico, or elsewhere in Latin America, or the Bahamas. As you would expect, they are an odd collection.

There was the author of best-selling thrillers, who confessed, when caught by surprise in a pizzeria near the old Havana Hilton, that he had come in search of material.

There was the Southern Baptist, on leave from his flourishing business in Georgia, who had come to save the souls, as he put it, of "the voodoo shell-flickers."

Most surprising were the prospectors eager to make the most of Mr. Castro's fading memory of Marxism. "Hundreds of American businessmen have been here," said a correspondent who has lived in Cuba for years. "They know the place is coming up for sale."

Cuba drifts somewhere between communism and capitalism. In an air-conditioned hotel room in Havana you watch Bosnians on CNN waiting for bread, while a block away, in the ruins of a colonial villa, men carry home buckets of water five flights up marble stairs.

You pay everywhere in dollars and get change in the tourists-only currency — convertible to the dollar at one-to-one. At a hotel bar you have two Coca-Colas, one from Mexico, one from Canada. Like the Campbell's and Gerber's in the dollars-only stores, they are the forbidden fruit of NAFTA.

The Oklahoma oil-and-gas man next to you orders a Jack Daniels and a pack of Marlboros. In Havana, in short, you

find yourself wondering, "What embargo?"

It's a nation open for business. AT&T, Sprint and MCI have provided long-distance links. Benetton has billboards next to faded portraits of Che Guevara. Adidas and Mizuno sponsor Cuban athletes. The Italians have come to sell cars, the Canadians to dig for minerals, the Israelis to plant citrus groves, the Spanish to run resorts.

In its strange intermezzo, Cuba has the desperate characters I saw in Moscow a few years ago. Pubescent prostitutes in search of exit visas are outnumbered only by the hard-currency scavengers who sense opportunity.

But the end may not loom so near for the old guerrilla. Fear pervades Mr. Castro's island, and there is no sign of any Cuban Lech Walesa mobilizing in the cigar factories. Mr. Castro's move in September to allow businesses wholly owned by foreigners will only fortify Cubans who have dollars, and who are the backbone of his rule.

Americans who want to bring democracy and free enterprise to Cuba needn't be stopped by the embargo. They can go, now, and trade with the enemy.

Mr. Meier, who writes often about the former Soviet bloc, contributed this comment to The New York Times.



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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

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EUROPE

German 'Wise Men' Fault High Pay and Strong Mark

BONN — The government's council of economic experts said Tuesday it saw no likelihood of an economic recovery for Germany either this year or next because of the effect of high wages and the strong Deutsche mark on industrial output.

The independent experts, known as the "five wise men," said in their 1995 annual report that gross domestic product was unlikely to grow more than 2 percent this year, a level that would "not be enough" to reduce Germany's double-digit unemployment. Last year, the council predicted GDP growth of 3 percent in 1995.

It attributed the lower growth figure to the appreciation of the mark against other major currencies and a round of wage increases that had exceeded rises in productivity.

Weaker-than-expected investment in construction also weighed on growth this year, the report said. In contrast, buoyant construction activity contributed significantly to last year's upswing.

The combination of high unemployment and weaker investment prevented domestic demand

from taking over from exports as the engine of growth, the council said.

"What worries us most is the unemployment and the expected fall in investment," a council member, Herbert Hax, said. He added that what investment there was would mostly be devoted to corporate reorganizations rather than to increasing production.

The report said German unemployment was likely to remain above 10 percent. The council also saw inflation rising to 2.25 percent in 1996 from 1.75 percent this year. But it detected "rays of hope" in Eastern Germany, where production rose strongly and employment increased.

The panel said the cloudy economic outlook had led it to expect little progress in reducing Germany's government budget deficit next year. A revenue shortage this year necessitated emergency cuts in spending.

On interest rates worldwide, the report said there seemed to be little room for lower long-term rates, though money-market rates might fall.

(Bloomberg, AFP, Reuters)

Pechiney Will Go To Market Alone

By Max Berley
Special to the IHT

PARIS — Pechiney will be France's first state-owned company to be privatized without a state-appointed stable core of shareholders, the company's chairman, Jean-Pierre Rodier, said Tuesday.

The move reflects profound changes in the functioning of French-style capitalism as it leaves the aluminum and packaging giant open to a takeover by foreign owners.

The stable shareholder pact "serve no purpose," Mr. Rodier said. "The only defense against takeovers is good management and keeping the stock price at the highest possible level."

In the past, the French government has sought to ensure that state-owned companies remain French-majority-owned, but said uncertainty about aluminum prices may have prevented the French government from finding any candidates among France's financial and industrial groups interested in committing funds to the company for the long term.

A Paris-based analyst said the privatization of the car-maker Renault, probably early next year, would present a better test case of whether the government was ready to embrace "a more orthodox form of capitalism."

It had given the green light for the Pechiney operation as its last privatization operation of 1995. The sale of the state's 53.7 percent stake in the company is expected to generate 5 to 6 billion francs (\$1.03 billion to \$1.23 billion) for state coffers.

The shares will be offered to institutional investors at 187 to 215 francs, or about 15 percent below the current market price.

In addition, the company will issue 3.5 billion francs to 4 billion francs of new shares and will merge its aluminum operations with its 67 percent-owned packaging arm, Pechiney International. The new company, called Pechiney, will be listed on the New York Stock Exchange.

Analysts said the low share price and absence of core shareholders were intended to attract foreign investors but said uncertainty about aluminum prices may have prevented the French government from finding any candidates among France's financial and industrial groups interested in committing funds to the company for the long term.

Exchanges In London Discussing A Merger

Compiled by Our Staff From London

LONDON — The London Commodity Exchange and the London International Financial Futures Exchange said Tuesday they were discussing a merger by the middle of 1996.

The merger would create the largest futures and options market in Europe by combining Europe's largest center of trading in commodity futures with the world's third-largest financial futures exchange.

The commodity exchange trades futures contracts in goods such as coffee, cocoa, sugar and grains; the financial futures exchange, known as Liffe, deals in derivative financial instruments such as interest-rate futures contracts.

"The aim will be to maximize opportunities from pooled resources in all aspects of the merged organization, including marketing, product development and systems," the Liffe chairman, Jack Wiglesworth, said.

Under the proposed merger, Liffe would acquire all of the LCE's shares at net asset value in cash or in a combination of cash and Liffe shares.

The exchanges did not disclose a value for the transaction. A British press report said Liffe would pay £9.5 million (\$14.8 million), or £1.17 for each of the exchange's approximately 8 million shares outstanding.

A merger with Liffe would probably end the takeover bid for the LCE by the New York Coffee, Sugar & Cocoa Exchange, analysts said. That bid was put on hold this autumn after the New York Mercantile Exchange said it would bid for the other New York exchange.

Daniel Hodson, the chief executive of Liffe, said in July that the exchange had been talking with the London Commodity Exchange for some time about a partnership.

He said the two London exchanges had substantially overlapping areas of operations and that 29 of the LCE's 45 authorized floor members had a relationship with Liffe.

(Bloomberg, AFP)

Investor's Europe				
Frankfurt DAX		London FTSE 100 Index	Paris CAC 40	
				
1995 J J A S O N		1995 J J A S O N	1995 J J A S O N	
Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	EOE	458.82	457.41	+0.31
Brussels	Stock Exchange	7,792.79	7,794.90	-0.02
Frankfurt	-DAX	2,197.29	2,175.28	+1.01
Copenhagen	Stock Market	356.56	356.64	-0.02
Helsinki	HEX General	1,671.59	1,620.83	-2.56
Oslo	OBX	393.86	394.07	-0.05
London	FTSE 100	3,547.90	3,536.80	+0.31
Madrid	Stock Exchange	299.35	295.87	+1.18
Milan	MBTEL	9,006.00	9,074.00	-0.75
Paris	CAC 40	1,838.21	1,839.24	Unch.
Stockholm	SX 16	1,622.54	1,633.01	-0.90
Vienna	ATX	907.28	912.53	-0.58
Zurich	SPI	2,023.30	2,017.56	+0.28

Source: Telekurs

Investment News/Telekurs

November 14, 1995

November 14, 1995

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Traveling to San Sebastián

SITTING ON THE SOFT, clean sands that rim the perfect Bay of La Concha, a visitor can easily picture a Spanish galleon reefing its full-blown sails as it enters the bay — the pearl of San Sebastián — and glides past the large sentinel rock of Santa Clara.

Donostia-San Sebastián is not a large city, with barely 180,000 inhabitants, but its history stretches so far back that the mists of time have obscured its origins; no one really knows how old it is. The sea and the mountains condition life in this Basque city, the capital of the province of Guipúzcoa.

Only 20 kilometers from the French border, San Sebastián has not been well-treated by history. An almost obligatory crossing place between the Iberian Peninsula and France, it has constantly been the victim of various European political intrigues. In 1863, the city walls were destroyed, which in effect helped the city in its expansion. Apart from that, the last major trauma experienced by the city occurred in 1813, when the resident French forces were under siege and the city was blockaded by the Spanish, Portuguese and British armies. Bombardments and fire, followed by a massacre, left San Sebastián with only 35 of its 600 houses still standing. The population had also been decimated, but the survivors banded together and immediately embarked on the rebuilding of their city, which eventually expanded beyond its original walls.

The city fathers found that the new construction and general expansion of San Sebastián over the years had brought them to a difficult crossroads. In one direction was an industrial future, which would involve making La Concha Bay into a trading port. Another possibility was to turn San Sebastián into a first-class tourist attraction and a business center. In the end, the advent of World War I more or less dictated the route to be taken.

Spain was a neutral country during World War I, and the delightful city of San Sebastián was one of the closest cosmopolitan centers outside the war zone. Wealthy people, aristocrats, politicians, artisans and many others escaping from the battlefield sought refuge in San Sebastián. Thus began San Sebastián's "Belle Époque" era. Most of the social, cultural, touristic and leisure facilities that the city still enjoys were developed at that time.

San Sebastián has always attracted elite tourists. As far back as 1845, Queen Isabel II was advised by her doctors to swim in the sea there as a cure for herpes. This set a precedent, and the royal court followed her every summer to enjoy the breeze off the Cantabrian Sea.

As successive generations of royal families kept up the tradition, San Sebastián became the political capital of Spain in summertime, and the status of its visitors considerably influenced the way the city developed. Residential areas, luxury hotels, sports facilities, and elite clubs and societies were opened in the city, which quickly became one of the most popular resorts in Europe.

The Belle Époque began in Paris and came to an end there in 1914, but in San Sebastián it continued for another 10 years or so, to the strains of polkas, waltzes and charlestons. The fun came to an abrupt end when gambling was made illegal and the casinos were closed.

World conflicts and the Spanish Civil War all contributed to an era of stagnation, and it was not until the late 1970s and '80s that a new era in San Sebastián's fortunes brought the glow back to the city. The revival of the tourist industry was swift, and even the most optimistic predictions were surpassed. People from all walks of life took the place of the European aristocracy, and tourism facilities adapted to the new clientele.

The beaches and the Bay of La Concha are still the centerpiece of this fascinating city, but the wide range of attractions also includes a horse-racing track, a casino, an international film festival, intriguing shopping areas and fine restaurants specializing in the famous Basque cuisine.

Wining & Dining

It is said that man eats and drinks to live, but in Basque country the opposite is true. The enjoyment of good food and wine are considered so vital that at the turn of the century, organizations known as popular societies sprang up. These are basically gastroonomic clubs, and in San Sebastián alone over 50

both influence the products of the Basque kitchen. Favorite dishes include crab casserole, baby eels with garlic, bake in green sauce and bream grilled on a charcoal fire by street vendors on fiesta days. *Chuletas de buey*, the famous beef chops, weigh more than half a kilo. There is also good lamb and game, and quail wrapped in grape leaves is a specialty.

The following is a list of recommended restaurants. Arzak, Alto del Miracruz 21. Tel.: 278 465. Nouvelle cuisine cooked by internationally acclaimed chef Juan Mari Arzak.

Akelarre, Barrio de Igeldo, Paseo Padre Orcolaga 56. Tel.: 212 052. Nouvelle cuisine.

Casa Nicolasa, Aldamar 4. Tel.: 421 762 or 466 232. Traditional and nouvelle cuisine.

Chomin, Avenida Infanta Beatriz 16. Tel.: 210 705. Traditional cooking.

Panier Fleuri, Paseo de Salamanca 1. Tel.: 424 205. Traditional and nouvelle cuisine.

Patxiiku Quintaoa, San Jeronimo 22. Tel.: 426 399. Traditional cooking.

Rekondo, Paseo Igeldo 57. Tel.: 212 907. Traditional and nouvelle cuisine.

Urepel, Paseo de Salamanca 3. Tel.: 424 040. Nouvelle cuisine.

In a Word

The official languages are Spanish and Basque. French is spoken widely, and many young people speak English.

At a Glance

San Sebastián is a small city, and visitors have no problem in finding their way around. The center of the city lies around the Bay of La Concha, with the main shopping area and restaurants spilling back inland from it. The tourist board (Fueros 1, 20005 Donostia-San Sebastián) can provide detailed literature.

San Sebastián is situated at the mouth of the Uruma River and is flanked by the Igeldo, Urgull and Ulla mountains. The city has well-kept streets and avenues, Parisian-style bridges, a traditional fishing harbor, and fine beaches at Zurriola, La Concha and Ondarreta.

Getting Around

Most places are within walking distance of the center, with the exceptions of the Hoodarribia Airport, which is 20 kilometers outside the city, and the horse-racing track, located in the village of Lasart. In summer, there are boat links between the harbor and Santa Clara Island.

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Keith Hewitt

Next Area

CANARY ISLANDS

A Basque Welcome From The Luxury Collection

DESIGNED AT THE BEGINNING OF this century by Charles Mewes, the architect of the Ritz hotels in Paris, London and Madrid, the Hotel Maria Cristina in San Sebastián ranks as one of the world's grand hotels and has been a vital part of the social, economic and cultural development of the city.

The Hotel Maria Cristina has the additional distinction of being a member of The Luxury Collection, a unique assembly of 48 of the most exclusive hotels in the world recently brought together by ITT Sheraton.

The former winter headquarters of King Alfonso XIII of Spain, the Hotel Maria Cristina has hosted a long list of royal

families and celebrities, including the Queen of Bulgaria, King Farouk, Elizabeth Taylor, Sophia Loren and the famous bull fighter Antonio Ordóñez, to mention just a few of the big names that have taken advantage of the luxury and comfort the hotel offers. During World War I, the hotel became a meeting place for politicians, artists, aristocrats and exiles from all over Europe.

Located in the historic center of this vibrant Basque city, the Hotel Maria Cristina has magnificent views over the Uruma River and the sea and is next to the famous Victoria Eugenia Theater, built at the same time as the hotel. The Maria Cristina's recently renovated 109

rooms and 27 suites are sumptuously decorated in the Belle Époque style, harmonizing perfectly with the distinguished stone building, whose facade is adorned with bas-relief sculptures. The six elegant reception rooms accommodate up to 670 for meetings or banquets, and a complete range of business services is available for traveling executives.

Guests will naturally want to sample Basque specialties while in San Sebastián, the gastronomic capital of Spain, and they can find the very best at the hotel's Esso restaurant. The hotel's Grill Bar is a favorite gathering place for locals and visi-

tors, who can relax with a drink to the soothing sounds of live piano music.

There is no end of recreational opportunities in this city with a mild climate, surrounded by beautiful green countryside. Guests have access to the Royal Golf Club, tennis courts, horse-racing tracks and horseback riding at the San Sebastián Royal Stables. Nearby, there are the beaches, mountains, quaint fishing villages, Biarritz, San Juan de Luz, and the Grand Casino. The San Sebastián Airport is only 20 kilometers away.

Hotel Maria Cristina: Tel.: (34-43) 424 900. Fax: (34-43) 423 914.

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ASIA/PACIFIC

Sony and Intel Team Up to Build Home-Use PCs

Compiled by Our Staff From Dispatches

TOKYO — Sony Corp., facing shrinking profit in its core audiovisual business, said Tuesday it would begin making home-use personal computers in an alliance with the U.S. chip-making giant Intel Corp.

The two companies said they would release their first PC models in the third quarter of 1996.

The move marks a major change for Sony, which prospered in the past largely by making audiovisual equipment such as television sets and the Walkman audio cassette player.

But in recent months, profit from audiovisual products has plunged because of stiff competition and sluggish demand in some major markets, even as earnings from Sony's PC-related equipment — floppy disk drives, CD-ROM drives, displays and semiconductors — have soared.

"We will target consumers in general," a spokeswoman for Sony said. "Our goal is to develop a PC which can be operated as easily as a television."

Analysts cheered Sony's recognition of a dominant trend in the electronics industry: the integration of audio, video, communications and computing technologies with PCs, which are undergoing massive sales growth in the United States and Japan.

But they said they did not expect Sony to make a quick profit from the PC business, because price competition among PC makers was intensifying worldwide and profit margins were narrowing.

Naoki Sato, an analyst at Merrill Lynch Japan, said the

alliance was good news for Intel because it would probably mean more sales of its microprocessors under Sony's popular brand name.

"But for Sony, it will be hard to make money by just assembling PCs from Intel-made components," he said.

The move marks Sony's entry into the world personal computer market. Aside from a small number of workstation computers used in businesses, Sony has limited its computer line to making notebooks for others, including Apple Computer Inc. and Dell Computer Corp.

"As PCs move into the home, home electronics makers who do not produce PCs are only destined to drop out of the market," said Yoshiharu Izumi, an analyst at UBS Securities.

Sony said it had not yet decided the type, price or sales and production targets for its home-use PC, but it said it might equip the model with a next-generation optical disk drive based on the digital video disk standard instead of a conventional compact-disk read-only-memory drive.

(Reuters, Bloomberg, AFP)

NEC Gets China Deal

NEC Corp. said it had signed an agreement with the State Information Center of China to expand China's first computer network by the beginning of 1996, according to a Reuters dispatch.

With an initial investment of 1 billion yen (\$10 million), NEC and the Chinese group will expand a network called the SIC-Net to nine cities nationwide, an NEC spokeswoman said.

You Just Have to Be There

Economist Tells How to Succeed in Asia

By Edward A. Gargan
New York Times Service

HONG KONG — When James Rohwer was writing about Asia from the genteel surroundings of the London offices of The Economist, he was convinced he knew what he was doing. It turned out, he confesses now, that he did not.

"I realized within three or four months of arriving in Asia that I understood nothing about it at all," he said recently. "The same is generally true about Western business people who haven't set foot here."

After four years in Asia — three for The Economist, the weekly newsmagazine owned by Economist Newspaper Ltd., and the last as chief economist for CS First Boston Corp. — Mr. Rohwer now seeks to share his epiphany with Western readers to explain why Asia has become, in his words, "the miracle" of free markets and economic development in the late 20th century.

In a new book, "Asia Rising: Why America Will Prosper as Asia's Economies Boom" (Simon & Schuster), Mr. Rohwer explores the fundamental causes of Asia's prodigious growth and suggests how the U.S. economy, and U.S. companies, can benefit.

His analysis and suggestions might trouble some readers, but that discomfort is essential, he said, if they are to grapple with the complexities of the region.

The successful companies here, he said, are not the multinationals of the United States and Europe but the great conglomerates of Asia that have been built mostly by a vast diaspora of Chinese-born business families.

In addition, his analysis downplays the role of Japan in Asia, a view that runs counter to most other judgments about growth in the region.

Mr. Rohwer is emphatic that his work is not a prescription for American companies, but he does say there is one fundamental lesson that emerges from his book.

"The biggest single thing for companies to do is to figure out how they can plug themselves into local conditions," he said. "Mostly that means finding the right partner, someone to guide you through that maze in Asia."

Yet, he cautioned, "this is very much a book of strategy more than a book on how to do it."

Mr. Rohwer said Asia's success depended,

first, on "being open, especially in terms of trade, investment and technology transfer. Second, it is linked to not providing protection — social protection, protection from competition, protection from change. And third, it is having a very small role for government. The family is central, and our government institutions, in absorbing the shock of change."

Across Asia, government spending usually accounts for less than 20 percent of gross domestic product, Mr. Rohwer said, compared with Western economies in which it ranges from 30 percent to 50 percent.

He offers an explanation of this: "These countries were under threats to their survival. Their backs were to the wall, and they had choices of fighting or collapsing. Secondly, America's role in the Cold War of defending them gave them a stable structure. There also was a tremendous amount of American generosity."

"But far more important was the willingness to protect these countries and absorb their exports. And this was grounded in very strong family-based societies, where learning and hard work were highly valued."

"And last — and this is the thing Americans have the hardest time understanding — most places are run by highly authoritarian governments that, unlike authoritarians in Africa or the Middle East, are actually committed to the national interest."

The author noted that some economies have thrived on the apparently paradoxical combination of political and social authoritarianism and market freedom.

In Mr. Rohwer's view, the countries destined to follow this example are Indonesia, which is well on the road to sustained economic growth, and Vietnam.

The great Asian failure, he argues, is India, which he says has practiced oppressive planning and a cloistered approach to economic development for too long and so has been left behind.

Driving the growth, he said, has been the multitude of Chinese families that turned small businesses into vibrant conglomerates across Asia. The World Bank estimates that this "greater China" had a gross domestic product of \$2.5 trillion in 1990, nearly half that of the United States in the same year.

Merger Proposed In Mining

Bloomberg Business News

SYDNEY — Four Australian mining companies led by Normandy Mining Ltd. proposed a merger Tuesday to form one of the world's largest gold producers outside South Africa, with a market value of about \$3 billion Australian dollars (\$2.2 billion).

A merger of Normandy and PosGold Ltd., North Flinders Mines Ltd. and Gold Mines of Kalgoorlie Ltd. would create the biggest Australian gold producer and a major international producer of zinc, copper and lead.

The merger is subject to a definitive agreement on terms by each company and to shareholder approval.

"The merger will create a single, world-class mining company with a size and financial strength necessary to compete in Australia and simultaneously expand globally," the companies said.

Under the proposal, minority shareholders in PosGold, North Flinders and Gold Mines of Kalgoorlie would receive shares in Normandy Mining. Current cross-shareholdings between the companies would be eliminated. The merged entity would eventually float shares of its own.

Robert de Crespigny, chairman of Normandy Mining, would own about 35 percent of the merged group. He and Anthony Palmer, chairman of North Flinders Mines and Gold Mines of Kalgoorlie, would be the only executive directors of the company, but nonexecutive directors from the four companies would comprise the majority of the board.

The proposal prompted the Standard & Poor's Corp. to say it would reassess PosGold's credit rating. The rating concern said the merger had positive implications such as giving PosGold direct access to cash flow from North Flinders and Gold Mines of Kalgoorlie and removing structural barriers to optimizing the performance of each company.

It added that the merger would expose PosGold creditors more directly to the credit risk of the merged Normandy group but said an affirmation of the company's current rating was "a reasonably likely outcome."

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
10000	2300	20000
9500	2200	19000
9000	2100	18000
8500	2000	17000
8000	1900	16000
7500	1800	15000
7000	1700	14000
6500	1600	13000
6000	1500	12000
5500	1400	11000
5000	1300	10000
4500	1200	9000
4000	1100	8000
3500	1000	7000
3000	900	6000
2500	800	5000
2000	700	4000
1500	600	3000
1000	500	2000
500	400	1000
0	300	0

Source: Reuters

Very briefly:

- Bangkok Bank PLC's net profit in the third quarter rose 6.4 percent, to 4.66 billion baht (\$185.4 million), as growth of deposits outpaced new lending.
- Thailand's over-the-counter market began trading Tuesday, with shares in one property company available through brokers under the officially sanctioned Bangkok Stock Dealing Center.
- Sahaviriya Steel Industries PLC posted a third-quarter loss of 182.95 million baht and cited fluctuations in the foreign-exchange market and in world steel prices.
- Westpac Banking Corp.'s net profit for the year ended Sept. 30 climbed 34 percent, to a record 947 million Australian dollars (\$701 million), as provisions for bad and doubtful debts dropped by more than half.
- China's exports continued to outpace imports in October, with the country's trade surplus expanding by \$1.37 billion; the surplus for the first 10 months of the year was \$17.78 billion, compared with a surplus of \$5.2 billion for all of 1994.
- China's growth in spending on plant and equipment by state-owned companies slowed in October, reflecting government efforts to curb spending; investment in fixed assets by state firms in October was 107.2 billion yuan (\$12.9 billion), 20.6 percent more than in the like month a year earlier but down from growth rates of 21.8 percent in September and 31.6 percent in August.
- Rupert Murdoch, chairman of News Corp., plans to build the biggest film studio in the world outside Hollywood on a prime site in New South Wales, the state government said.
- Japan remains the only active player in the Far Eastern zinc market, buying Chinese zinc for duty-free delivery in the first quarter of 1996, traders said; Japanese smelters are expected to buy a total of 50,000 tons of zinc in 1996 and have been approaching Chinese smelting companies in recent weeks to place their orders.
- The Export-Import Bank of Japan will participate in lending 11.8 billion yen (\$115.7 million) to a Vietnamese government-financed cement plant, Ninh Binh Cement Co., along with three other Japanese financial institutions.
- Mitsubishi Corp. led the consortium that won a contract to build a new domestic terminal at Manila airport; construction of the 4.53 billion peso (\$173.5 million) terminal is to begin next month and is scheduled for completion by December 1997.

(Bloomberg, AFP, AFX, Reuters)

Small Vehicles Help First-Half Net at Suzuki and Daihatsu

Bloomberg Business News

TOKYO — Suzuki Motor Corp. and Daihatsu Motor Co. said Tuesday that surging sales of a new class of subcompact cars helped them post increased profits for the first half of the current financial year.

The companies, which are among Japan's smaller automakers, said profit hit a four-year high in the six months ended Sept. 30. They credited higher sales of minivehicles, those with engine displacements of 660 cubic centimeters or less, and cost-cutting.

Suzuki, Japan's leading maker of minivehicles, said

current, or pretax, profit rose 3.2 percent, to 10.3 billion yen (\$101.1 million). Sales rose 7.2 percent, to \$55.4 billion yen, the highest half-year sales in the company's history.

Suzuki's domestic sales have been buoyed by the popularity of its Wagon-R model. Sales of the small, boxy van have taken off amid a surge in demand for sport vehicles in Japan. The company also said it had higher exports in the period.

Daihatsu said its current profit rose 9.2 percent, to 2.29 billion yen. Sales of minivehicles rose, led by the

new Move, a sports-utility vehicle unveiled in August. But a drop in compact-car sales and falling exports resulted in an 8.7 percent decline in overall sales, to 315 billion yen.

"We unveiled the new Move, and that pushed our minivehicle sales up considerably," said Toshio Yoshioka, senior managing director.

Sales of minivehicles in Japan rose 7 percent in the latest six months, a Suzuki official said, compared with a gain of just 2.6 percent in total vehicle sales in Japan during the period.

SALON: New On-Line Magazine

Continued from Page 15

the Institute for the Future in Menlo Park, California.

"All the major publications have tried to do electronic stuff. They got it right intellectually, but in their hearts they love fiber too much. This stuff is going to siphon off the people who are most important to the future of newspapers. The junior people will be the first to leave."

Some analysts say publishing on the Internet may have the effect of leveling the playing field even more quickly than is generally believed.

"The barrier to entry has always been, 'Do you have \$10 million for a printing press?'" said David Cole, a newspaper industry consultant in San Francisco. "Now the question is, 'Do you have \$75 a month for an ISDN telephone line?'"

ISDN — for integrated services digital network — offers a relatively inexpensive high-speed data connection for small businesses and homes.

Mr. Talbot said he had started his venture with seed money from the Internet services group at Apple, which will continue to be a sponsor of the service. He would not disclose the amount

of the investment, at the request of the sponsors.

"This is like TV in 1948," said Richard Gringras, director of content and services for Apple's Internet venture. "We know it's different, and we know it has to evolve."

Mr. Zweig said the new magazine hoped to have 15 to 25 advertisers for its "preview" issue, which is due to come out this week.

He said the publication would be free for the moment, but he would not rule out charging for it in the future.

Salon is the first outside investment in electronic publishing for both Apple and Adobe. The magazine, which plans to publish weekly next year and whose Internet address will be <http://www.salon1999.com>, has found a novel way to spread the word about itself.

Borders will distribute 38 million bookmarks with Salon's Internet address, and the magazine's readers will be able to order featured titles from the book chain by electronic mail.

Customers, if they trust the system, can pay by credit card. The magazine plans to eventually offer a more secure method of payment.

DEBT: Japan's New Estimates

Continued from Page 15

banking official in the Ministry of Finance. "But by repeating this kind of practice, we'd like to gradually resume our trust not only among the Japanese people but among the people all over the world."

The new figures — which the ministry said were based on reports from financial institutions and local governments, not, as in previous practice, simply estimates — seemed to suggest that the debt problem was not as severe as many foreign bankers had thought.

Some foreign analysts have said bad debts could be as high as \$650 billion, but Mr. Nakai dismissed those estimates.

"They are wrong," Mr. Nakai said. "We have collected reports from all the banks and if their report is a false one, they will be subject to our penalty."

Still, the ministry's figures are unlikely to convince a skeptical foreign banking community, which recently has tightened credit and raised the cost of lending to Japanese institutions.

Partly because of the recent scandal at Daiwa Bank, in which a trader in New York had \$1.1 billion in trading losses for more than 11 years, foreign institutions have become increasingly suspicious of accounting practices at Japanese institutions.

"The biggest problem is this concern that banks do not always disclose accurate numbers," said Paul Heaton, a financial analyst at Deutsche Bank Capital Markets (Asia) Ltd.

Foreign analysts may question the accuracy of the figures, but many analysts also agreed that the Japanese banks would probably report extremely high operating profits. The ministry released preliminary figures showing that net operating profits for the six months ended Sept. 30 at all the banks totaled \$33 billion, or nearly 50 percent more than a year earlier.

Net income for the six months, however, was \$4.6 billion, only 2.8 percent higher than in the like year-earlier period, as much of the rise in operating profits was offset by costs of disposing of bad loans.

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WORLD ROUNDUP

Soccer's Aging Dictator Picks a Dangerous Ally



Greg Maddux won his fourth consecutive Cy Young award.

Maddux Wins Cy Young

BASEBALL The Atlanta Braves right-hander Greg Maddux won his unprecedented fourth consecutive National League Cy Young Award as the best pitcher in the National League.

In addition to becoming the first player to win four straight Cy Young Awards, Maddux joins Steve Carlton as the only four-time Cy Young winners.

The 29-year-old Maddux, who won the Cy Young by unanimous vote Monday for the second straight year, was named on all 28 ballots cast by a panel of the Baseball Writers Association of America, including two writers from each league city.

Maddux was 19-2 this year with an earned run average of 1.63. (Reuters)

President Bill Clinton has invited the World Series champions, the Atlanta Braves, to the White House next month at a date to be set later. (AP)

Strickland Granted Delay

BASKETBALL The Trail Blazers' point guard Rod Strickland has been granted a postponement of his court case in New York, where he faces assault charges for allegedly striking the mother of his 5-year-old son.

Strickland was arrested last week on charges of assault, menacing and harassment. He faces up to a year in jail if convicted.

"The initial shock was a little overwhelming," he said of the charges. "It's been pretty tough, but I'm pretty tough. The most important thing is my family. This doesn't affect me as much as it affects them. I've been through this before. They haven't."

(AP)

Pakistan May Lose Star

CRICKET The former Pakistan captain and middle-order batsman Salim Malik is likely to miss this week's second test against Australia because of a cut hand, the tour manager, Intikhab Alam, said Tuesday.

Malik faced only four balls before being dismissed for zero as Pakistan capitulated on the fourth day of the first test against Australia, losing by an innings and 126 runs.

The second test starts in Hobart, Tasmania, on Friday. (Reuters)

Sampras Starts Well

TENNIS Pete Sampras began the defense of his IBM-ATP Championship title with a 6-3, 6-3 victory over Yevgeny Kafelnikov in a group match. In the same group, Boris Becker ousted Wayne Ferreira 4-6, 6-2, 7-6 (7-5).

Thomas Muster's chances of overtaking Sampras to finish the year No. 1 shrunk after his 4-6, 6-2, 6-3 loss to Michael Chang. (Reuters)



Didier Deschamps playing in a European qualifying match against Poland, is on the French team for the key match against Israel on Wednesday.

By Rob Hughes

International Herald Tribune

LONDON — For many of most of Europe's finest soccer players, Wednesday is the most important night of the year — the last chance for their countries to qualify for the 1996 European Championship.

We should now be considering whether Jürgen Klinsmann, a German captain playing for pride and revenge, can conquer Hristo Stoichkov, whose Bulgarians will share a million dollars if they win Wednesday night.

We should warn to the passion that will pit 53,000 Portuguese against 20,000 Irish followers in Lisbon's Stadium of Light.

We should question the fear, the mistrust of undisciplined genius, that makes France drop Eric Cantona and David Ginola for the contest against Israel in Caen.

These players, and many others, face the ultimate challenge in life: The struggle to peak in body and mind when the need is greatest.

Alas, nothing that any performer achieves can mitigate the harm done to their sport by one very selfish old man. Dr. João Havelange, the chief representative of soccer, flew to Nigeria last week to powwow with General Sani Abacha at a time when responsible dignitaries gave that murderous place a miss.

Why was Havelange there? He said he had to go to formally apologize for his mistake in depriving Nigeria of the world youth championship earlier in the year.

He was moved, possibly for the first time in his 21-year rule over the world's most populous sport, to beg forgiveness for the error of his own autocratic ways.

They were friends in need, these two dictators. Abacha's regime was about to hang nine people who stood against them; Havelange is facing his first meaningful opposition within FIFA. Havelange invited himself to Nigeria.

He bowed before the general and admitted that FIFA acted with undue haste in removing the youth championship from the African country and taking it to Qatar.

You may recall FIFA's oscillating reasoning at the turn of the year. How Havelange himself "misunderstood" a conversation in Saudi Arabia that led him to

believe Nigeria's stadium facilities would not be completed in time.

He wrote suggesting that Nigeria withdraw from hosting the games. When Nigeria responded that its \$70 million building project was on schedule, FIFA promptly discovered the cholera and meningitis scare in Nigeria.

Dr. Havelange told his aides that he would never want on his conscience the illness or death of one young person. When World Health Organization officers assured FIFA that the epidemic was containable, a third objection, security, finished off the Nigerian dream.

Qatar organized the world youth championship at three weeks' notice. And that was the happy end of the story as far as Havelange was concerned until, this fall, a serious threat to his leadership emerged.

Lennart Johansson, the president of UEFA, Europe's soccer authority, had challenged Havelange to operate as his mandate requires — through the committee structures of FIFA and not autonomously as is increasingly his wont. The European with African and Asian backing — produced Vision One and Vision Two, documents calling for greater accountability, greater transparency, greater democracy in the vital decisions of FIFA.

"The first person to see Vision One was the president (Havelange)," said Johansson last week. "He went through the roof!" Havelange's refusal to be reined in, his dismissal of the very notion of democratic discussion, turned Johansson's vision into a manifesto for opposition.

Last week, on his 66th birthday, young Johansson declared he would run against the almost octogenarian Havelange at the next opportunity. That, ostensibly, is 1998, but the way things are going the challenge could come at any moment.

Belaguered, Havelange returned to Africa, whose bloc vote had helped elect him in 1974 and since. He has given to Africa: more places at the World Cup, more and more Coca-Cola-backed courses and coaching programs. He never expected to lose favor there. Yet Issa Hayatou, president of the African Football Confederation, backed Johansson's Swedish visions. Vision Two proposes a rotation of World Cups between the four continents.

Havelange, looking for friends and sup-

porters, made his move. His flight to Nigeria might never have happened had he not summarily sacked FIFA, which might have counseled otherwise.

The officers were removed, without proper consultation, by Havelange because he believed they plotted a challenge to his leadership over a year ago. He won that contest unopposed, routed the would-be opposition, and walked into the committee room with his own typed list of officials to fire and new men to hire.

FEEBLY, the executive acquiesced. But the backlash of Visions was born and Johansson, though not a naturally ambitious man, was persuaded that he alone had the credentials to oppose the overlord.

"Now I have put up, I shall not go away," Johansson said last week. "You know, I was given for my birthday a pair of red boxing gloves which someone suggested should have the name Havelange on them. But no, I write only Vision One and Vision Two."

Havelange went to Nigeria without a mandate, and without shame, and in return for General Abacha bestowing on him the title of Chief Havelange (the award Ekwueme means "the man who promises and delivers"). Havelange promised he will grant Nigeria the next world youth championship in 1997.

Very soon now he will hear that he cannot do that. It is pledged already, to Malaysia, and FIFA executive members will no longer blindly follow the aging leader.

To make a promise to Abacha, he breaks one to Malaysia. To court votes in Africa, he jeopardizes support in Asia.

The man is very old. His grip is fading, and not before time. He still is wily, still has a hold over some members. His misjudgment in Nigeria is monumental; he has alienated more Africans than he has pleased.

This week, a few hours after Chief Havelange returned from Nigeria, the Nigerian national team was forbidden to play in a four-nation tournament in South Africa, starting Saturday.

Sport, as usual, is the first mark made against tyranny. The first sanction, the first sacrifice. Soccer is presented with a choice — follow João Havelange or Nelson Mandela.

Rob Hughes is on the staff of The Times

Courier, Well-Read, Is Now Well-Balanced

By Christopher Clarey

Special to the International Herald Tribune

FRANKFURT — Jim Courier, one of the rare tennis stars who seeks to improve his mind as well as his groundstrokes, will not be reading on Wednesday when he plays Thomas Enqvist at the ATP Tour World Championship.

He has tried that before in this city of gray skies and gray suits. The results were not to his liking.

"Have you seen me with a book since then?" he asked Monday.

Courier whipped out the work in question — "Maybe the Moon" by Armistead Maupin — in 1993, reading the novel on changeovers during a round-robin loss to Andrei Medvedev. It was a gesture without precedent in a sport with plenty of precedent, and it was quickly interpreted as proof that Courier, once the exemplar of focus and the Puritan work ethic, had lost his motivation along with his grip.

Courier denied all this at the time ("I have never been more concentrated"), but his results spoke louder than his puffed lips. Number one in the rankings at the end of 1992, he fell to number three at the end of 1993 and number 14 at the end of 1994, suffering losses to lesser players and flirting with an extended break from his sport.

Courier is doing better now. Though this season probably will be remembered as the year two his American peers, Pete Sampras

and Andre Agassi, duked it out from Flinders Park to Flushing Meadows, it also is worth remembering what Courier has accomplished. In a most Darwinian sport, he has succeeded in reversing evolution.

After failing to win a single tournament in 1994, he has won four in 1995. Most tellingly, after a mediocre June and July, he has lifted his game in the second half of the season: a time when he has faded in the past. After reaching the semifinal at the U.S. Open, he has played with purpose and enthusiasm throughout the indoor season and has earned back his place in this tournament reserved for the world's top eight players.

Though the edge is clearly off this event because of Agassi's late withdrawal with an injured pectoral muscle, Courier clearly has regained his edge, and that is good news for a sport in need of sympathetic, intriguing characters.

"Orange juice and lots of sex," Courier said, when asked to explain his resurgence.

Courier can be quite funny. Sarcasm is his specialty. It is also his defense mechanism, and, when all is not quite right with his world, the sarcasm turns forced and brittle. "I think if you ask people around me, they'll tell you that I'm real zig-zaggy," he said. "I run hot and cold."

There are several reasons why he is now running hot. One is his decision to remove 10 grams of lead tape from his racket before the U.S. Open. This has allowed him to whip his racket through the ball more

quickly and regain some of the trademark punch missing on his groundstrokes.

"I knew all along, I had a problem," he said. "We were trying to correct it, but I couldn't quite find it. I took the tape off, and after three balls, I knew. I was thinking, 'Where has this been?'"

Also different surfaces and heavier balls have slowed the indoor game. Aces remain a regular occurrence, but baseline rallies — Courier's forte — are the rule.

Finally, there is attitude. After the on-court angst that characterized much of the past three seasons, Courier says convincingly that he feels refreshed and relaxed. Winning certainly improves one's mood, but so does maturity, and the young man who never appeared entirely comfortable in the spotlight role of number one, appears to have achieved a truce with the computer that coldly spits out the rankings each week.

"I read a good quote from Pat Riley: 'Success is never final,'" Courier said. "The clock is always ticking. Someone is always working harder than you. Number two is always trying harder than number one. Maybe that's why I couldn't revel in being at the top. I was trying to get to number zero. It's not so much that I was looking behind me. When I was number one, I knew people were clawing to get there. It was more that I was trying to get better than one."

Imagine then how difficult it must have been for Courier to be reduced to trying to get back in the top 10.

"If you ask me, Jim has been in an ongoing state of denial," said Courier's former coach Brad Stine at this year's U.S. Open.

For the moment, Sampras is the one trying to get to number zero, and it is Sampras, more than any other player, who has kept Courier from flying higher in 1995. They have played four times, twice in the Slams, and Courier has lost every match: a fact that surely rankles. In years gone by, that might have been enough to make his sarcasm turn brittle, but not this year in Frankfurt.

"He's quite a player, no doubt," Courier said.



Jim Courier adopts a baseball batter's stance during practice in Frankfurt.

CROSSWORD

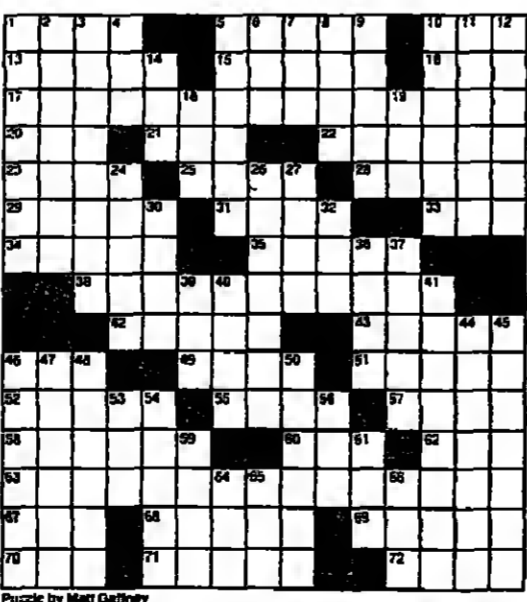
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64 President numero ses
67 Que, neighbor
68 Loosen, as faces
69 Latin for "there is lacking"
70 Western Indian
71 Emerson effort
72 Subject of some engineering

7 Bat wood
8 Went first
9 BVO
10 Won back, as territory
11 Phrase of agreement
12 Groups of experts
14 Agent of Uncle Sam
16 In which dm sum is cooked
19 What the whole U.S.A. makes
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36 "The Simpsons" bar
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39 Madison, e.g. Abbr.
40 Volcano flow
41 17-Across crossed it
44 Neanderthal
45 Italian seaport
46 Pear variety
47 "Pay this"
48 Taste
49 Baseball's Penguin
53 — Buddhist
54 Cousin of like
56 For example
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64 "— e boy!"
65 Peoples of "Fame"
68 Mr. Hammarskjöld

30 New York Times Edited by Will Shortz



Solution to Puzzle of Nov. 14

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SPORTS

On the Road to Baltimore

Browns Derailed in Detour to Pittsburgh

The Associated Press

It's hard to imagine two cities fighting over the Cleveland Browns. They won't move until next season, but their offense already seems to have deserted, and their chances of winning the American Football Conference Central Division might not be far behind.

Yes, the Browns are on the road to Baltimore, but the trail apparently does not run through the end zone — and, for the rest of the division, the path to the playoffs again leads through Pittsburgh.

"Right now, the (move) should be of no consequence to this football team," said Dana Hall, a Cleveland safety, after Pittsburgh took a two-game division lead over the Browns with a dominating 20-3 victory. "Where we play doesn't make any difference. We were playing for first place, and to play like this — it hurts."

Oh, the Browns (4-6) put up a fight against the suddenly streaking Steelers (6-4), who have won three straight to put some distance between them and the Browns and Bengals.

But by the time the Steelers' rookie quarterback, Kordell Stewart, had badly upstaged his Cleveland counterpart, Eric Zeier, and Eric Pegram had restored the run to Pittsburgh's

offense, the Browns' only fighting was with words.

"We have people starting to get on different agendas, and it is starting to show," said Pepper Johnson, a linebacker. "The coaches see it on film, and the ugly thing is that some of the players know it, too."

But there won't be much to see in this film — more penalty yards (89) than rushing yards (77) and only one Zeier second-half completion.

Stewart, the former Colorado University star who had been used at wide receiver, finally threw his first NFL pass Monday. Taking the snap on third-and-goal from the two yard line in a scoreless second quarter, Stewart rolled to his right and found his intended receiver, Yancey Thigpen, in double coverage. He promptly reversed field and ran nearly the width of the field to the left sideline, where he finally found Ernie Mills in the corner of the end zone.

Stewart proved that earlier in the drive with a 11-yard reception on a third-and-11 play, and he also carried twice for 13 yards.

By contrast, Zeier, called perhaps the most exciting rookie in Browns history by the team's owner, Art Modell, only two weeks ago, could not run,

pass or hide. He finished seven-for-19 for 67 yards and was only one-for-18 in a dreadful second half that sent many of the faithful 1,000 or so Cleveland fans home early.

No Solidarity by Fans

Pittsburgh Steelers fans found a use for those orange armbands they were asked to wear in empathy for their Cleveland counterparts.

They used them to wave good-bye to the Cleveland Browns — maybe forever.

So much for the Steelers fans' supposed sympathy for Cleveland's loss of its beloved Browns to Baltimore, and the end to one of the NFL's great rivalries. The compassion lasted only as long as it took the Browns to take the field for pregame warmups.

B-O-O-O-O-O!

The Browns-Steelers rivalry is rare — the two cities with similar steel-town heritages are divided only by 140 miles of interstate asphalt. That's why supporters of both teams spoke beforehand of a mutual show of solidarity, perhaps wearing the armbands, as a Pittsburgh radio station suggested.

"I knew Steelers fans would never wear the Browns' colors," the Steelers tackle Justin Strzelczyk said. The show of solidarity



Dermontti Dawson leading way to end zone for Steelers' quarterback Kordell Stewart.

turned out to be more media creation than apocryphal groundswell of pro-Cleveland sympathy.

The rivalry is different," said a former Steelers tackle, Tunch Ikin, now an NBC analyst. "I played 15 times in Cleveland,

and I think the sun shined exactly once. It was always cold, nasty, hateful and hostile — I loved it. I remember the first time I took the field there for warmups, and somebody threw a battery at Dwight White. I said, 'Wow, they really do hate us

here! This is great!'" In the end, there were two winners: the Steelers, and the scalpers who sold \$30 face-value tickets for \$100 or more. It's not likely that Baltimore Browns' tickets will command such a high price in Pittsburgh.

Stockton Leads Jazz

Past Droopy Raptors

John Stockton scored 15 of his 29 points in the third quarter and added two late free throws

NBA ROUNDUP

that snapped a tie as the Utah Jazz defeated the slumping Toronto Raptors, 103-100.

With the score 99-99, Stockton hit a pair of free throws to give the Jazz the lead with 1:33 remaining in Monday's game. Then Alvin Robertson hit one of two free throws to pull the Raptors within a point, but Utah's Adam Keefe made a layup for a 103-100 advantage with 5.5 seconds to go.

Toronto's Tracy Murray missed a three-point shot at the buzzer, sending the expansion club to its sixth successive loss after a victory in its first game.

"It's the little things that are killing us, but we're going to be okay," Murray said.

"We've got to keep our heads cool at the end of the game. We

never quit, that's one thing I'm happy with," he said.

Mavericks 94, Grizzlies 88 In Vancouver, Scott Brooks scored five of his seven points in a fourth-quarter run and Jason Kidd added 26 points as the Dallas Mavericks overcame a horrible shooting performance to defeat Vancouver.

Dallas led, 70-69, with 9:25 to play before Brooks sank a three-point shot with 9:04 remaining. George McCloud and Jim Jackson made two free throws apiece to make it 77-69.

Bryant Reeves scored a basket to pull the Grizzlies within six before Brooks capped the run with a pair of free throws to give Dallas a 79-71 edge.

Kidd hit a pair of baskets in a 9-2 run late in the fourth quarter that put the game out of reach.

Dallas shot 27.7 percent from the field, making just 26 of 94 shots.

Greg Anthony scored 19 for Vancouver, which has lost five games after starting the season with two victories.



Karl Malone of the Jazz passing over Raptors' defense.

SCOREBOARD

BASEBALL

NBA STANDINGS

EASTERN CONFERENCE				
Team	W	L	Pct	GB
New York	1	3	.250	0
Orlando	1	3	.250	0
Atlanta	1	3	.250	0
Philadelphia	1	3	.250	0
New Jersey	1	3	.250	0
Washington	1	3	.250	0
Boston	1	3	.250	0

CENTRAL DIVISION				
Team	W	L	Pct	GB
Chicago	1	3	.250	0
Atlanta	1	3	.250	0
Indiana	1	3	.250	0
Charlotte	1	3	.250	0
Detroit	1	3	.250	0
Memphis	1	3	.250	0
Toronto	1	3	.250	0
Cleveland	1	3	.250	0

WESTERN CONFERENCE				
Team	W	L	Pct	GB
Dallas	1	3	.250	0
Houston	1	3	.250	0
San Antonio	1	3	.250	0
Utah	1	3	.250	0
Vancouver	1	3	.250	0
Minnesota	1	3	.250	0
Denver	1	3	.250	0

PACIFIC DIVISION				
Team	W	L	Pct	GB
Seattle	1	3	.250	0
LA Clippers	1	3	.250	0
Phoenix	1	3	.250	0
Golden State	1	3	.250	0
LA Lakers	1	3	.250	0
Portland	1	3	.250	0

MONDAY'S RESULTS				
Game	Score	Time	Score	Time
Utah	103-100	10:00	103-100	10:00
LA Lakers	103-99	10:00	103-99	10:00
Golden State	103-99	10:00	103-99	10:00
LA Clippers	103-99	10:00	103-99	10:00
Phoenix	103-99	10:00	103-99	10:00
Seattle	103-99	10:00	103-99	10:00
Portland	103-99	10:00	103-99	10:00
San Antonio	103-99	10:00	103-99	10:00
San Jose	103-99	10:00	103-99	10:00
LA Kings	103-99	10:00	103-99	10:00
LA Ducks	103-99	10:00	103-99	10:00
LA Sharks	103-99	10:00	103-99	10:00
LA Coyotes	103-99	10:00	103-99	10:00
LA Panthers	103-99	10:00	103-99	10:00
LA Wolves	103-99	10:00	103-99	10:00
LA Bears	103-99	10:00	103-99	10:00
LA Ravens	103-99	10:00	103-99	10:00
LA Colts	103-99	10:00	103-99	10:00
LA Patriots	103-99	10:00	103-99	10:00
LA Jets	103-99	10:00	103-99	10:00
LA Giants	103-99	10:00	103-99	10:00
LA Redskins	103-99	10:00	103-99	10:00
LA Cowboys	103-99	10:00	103-99	10:00
LA Eagles	103-99	10:00	103-99	10:00
LA Cardinals	103-99	10:00	103-99	10:00
LA Rams	103-99	10:00	103-99	10:00
LA Browns	103-99	10:00	103-99	10:00
LA Steelers	103-99	10:00	103-99	10:00
LA Colts	103-99	10:00	103-99	10:00
LA Patriots	103-99	10:00	103-99	10:00
LA Jets	103-99	10:00	103-99	10:00
LA Giants	103-99	10:00	103-99	10:00
LA Redskins	103-99	10:00	103-99	10:00
LA Cowboys	103-99	10:00	103-99	10:00
LA Eagles	103-99	10:00	103-99	10:00
LA Cardinals	103-99	10:00	103-99	10:00
LA Rams	103-99	10:00	103-99	10:00
LA Browns	103-99	10:00	103-99	10:00
LA Steelers	103-99	10:00	103-99	10:00

THE AP TOP 25				
Rank	Team	Points	Points	Points
1	Utah	103	103	103
2	LA Lakers	103	103	103
3	Golden State	103	103	103
4	LA Clippers	103	103	103
5	Phoenix	103	103	103
6	Seattle	103	103	103
7	Portland	103	103	103
8	San Antonio	103	103	103
9	San Jose	103	103	103
10	LA Kings	103	103	103
11	LA Ducks	103	103	103
12	LA Sharks	103	103	103
13	LA Coyotes	103	103	103
14	LA Panthers	103	103	103
15	LA Wolves	103	103	103
16	LA Bears	103	103	103
17	LA Ravens	103	103	103
18	LA Colts	103	103	103
19	LA Patriots	103	103	103
20	LA Jets	103	103	103
21	LA Giants	103	103	103
22	LA Redskins	103	103	103
23	LA Cowboys	103	103	103
24	LA Eagles	103	103	103
25	LA Cardinals	103	103	103

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14	LA Panthers	103	103	103
15	LA Wolves	103	103	103
16	LA Bears	103	103	103
17	LA Ravens	103	103	103
18	LA Colts	103	103	103
19	LA Patriots	103	103	103
20	LA Jets	103	103	103
21	LA Giants	103	103	103
22	LA Redskins	103	103	103
23	LA Cowboys	103	103	103
24	LA Eagles	103	103	103
25	LA Cardinals	103	103	103

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18	LA Colts	103	103	103
19	LA Patriots	103	103	103
20	LA Jets	103	103	103
21	LA Giants	103	103	103
22	LA Redskins	103	103	103
23	LA Cowboys	103	103	103
24	LA Eagles	103	103	103
25	LA Cardinals	103	103	103

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20	LA Jets	103	103	103
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22	LA Redskins	103	103	103
23	LA Cowboys	103	103	103
24	LA Eagles	103	103	103
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